

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Thursday, January 09, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	Organizational Meeting	
<a href="#"><u>RS22378</u></a>	Board of Cosmetology - Allows a person to practice on a relative in a relative's home.	Roger Hales, Bureau of Occupational Licenses
<a href="#"><u>RS22386</u></a>	Board of Landscape Architects - Allows a person to qualify as a landscape architect-in-training.	Roger Hales, Bureau of Occupational Licenses
<a href="#"><u>RS22398</u></a>	Board of Real Estate Appraisers - Criminal history on new applicants.	Roger Hales, Bureau of Occupational Licenses

COMMITTEE MEMBERS

Chairman Henderson  
Vice Chairman Thompson  
Rep Collins  
Rep Crane  
Rep Palmer  
Rep Barbieri

Rep Batt  
Rep Agidius  
Rep Clow  
Rep Hixon  
Rep Kauffman  
Rep Monks

Rep Morse  
Rep Stevenson  
Rep Youngblood  
Rep Smith  
Rep Rusche  
Rep Gannon

COMMITTEE SECRETARY

Catherine Costner  
Room: EW58  
Phone: 332-1139  
email: [hbus@house.idaho.gov](mailto:hbus@house.idaho.gov)

MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Thursday, January 09, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW41

**MEMBERS:** Chairman Henderson (Chambers), Vice Chairman Thompson, Representatives Collins, Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon

**ABSENT/  
EXCUSED:** Rep. Barbieri

**GUESTS:** Tana Cory, Idaho Bureau of Occupational Licenses; Micah Gale, Student; Rich McAllister, DFM; Kendra Knighten, GOV; Amanda Crane, GOV, Tony Smith, Benton Ellis

**Vice Chairman Thompson** called the meeting to order at 1:32 p.m.

**Vice Chairman Thompson** welcomed the committee members to the 2014 session. He updated the committee members on **Chairman Henderson's** recovery and plans to return to the House on January 25, 2014. Vice Chairman Thompson introduced **Rep. John Chambers** as Chairman Henderson's temporary replacement.

**Vice Chairman Thompson** advised the committee members that the first order of business during the session is to review and vote on Administrative Rules. January 27, 2014 will be the target date for reporting back to the Business Committee.

He introduced the Rules Subcommittees as follows. Rules Subcommittee For Rules of the Board of Licensure of Professional Engineers and Professional Land Surveyors, Department of Insurance, Real Estate Commission: **Rep. Morse**, Chairman, **Reps. Clow, Stevenson** and **Gannon**.

Rules Subcommittee for Bureau of Occupational Licenses, Professional Geologists: **Rep. Agidius**, Chairman, **Reps. Kauffman, Monks**, and **Smith**.

Rules Subcommittee for Division of Building Safety: **Rep. Hixon**, Chairman, **Reps. Palmer, Youngblood** and **Rusche**.

**RS 22378**

**Roger Hales**, Bureau of Occupational Licenses, presented **RS 22378**. He said it is designed to reduce restrictions and clarify language of the legislation. He said the intent is three fold. The first change is an exemption to allow an unlicensed person to practice cosmetology on a relative, in a relative's home, without compensation. The second change is to clean up a section of law regarding practice of apprentices by clarifying the wording. The third change clarifies qualifications for the Idaho Board of Cosmetology appointees. Mr. Hales introduced **Marilyn Cleveland**, a licensed cosmetology instructor, who will stand for technical questions.

He said that a licensed cosmetology apprentice may practice under the direct supervision of a licensed instructor. He said that Section 54-804 currently allows non-licensed persons to practice in their own home without compensation, and not on the public in general. An exemption is now added allowing persons to practice on a relative in the relative's home without compensation. **Mr. Hales** said this exemption is written in response to specific instances whereby persons can provide service to relatives who may not be capable of travel outside their own homes. He said the word "home" is used, but not defined in the language. He clarified a licensed shop as one which is inspected regularly for compliance with sanitation regulations and the word "home" falls outside those requirements. He said currently one Idaho Cosmetology Board Member must be licensed as a cosmetology instructor and appointed by the Governor. Current language states that Board Members may not be affiliated with a school of cosmetology. The change eliminates this seeming contradiction.

**MOTION:**

**Rep. Rusche** made a motion to **introduce RS 22378**.

**SUBSTITUTE  
MOTION:**

**Rep. Crane** made a substitute motion to **introduce RS 22378** with the following amendment. Strike out the phrase "in the relative's home in Section 54-804, Section 1, Subsection (4) Persons practicing on a relative in the relative's home without compensation.

**ROLL CALL  
VOTE ON  
SUBSTITUTE  
MOTION:**

A roll call vote was requested on the substitute motion. **Motion carried** by a vote of **10 AYE** and **6 NAY**. **Voting in favor** of the substitute motion: **Reps. Thompson, Crane, Agidius, Hixon, Monks, Stevenson, Youngblood, Smith, Gannon, Chambers**. **Voting in opposition** to the substitute motion: **Reps. Collins, Palmer, Clow, Kauffman, Morse, Rusche**. Absent/Excused: **Reps. Barbieri, Batt**.

**RS 22386**

**Roger Hales**, Bureau of Occupational Licenses presented **RS 22386**. He said a person can perform work as a landscape architect-in-training upon completion of education and while waiting for completion of examination if under the supervision of a licensed landscape architect.

**MOTION:**

**Rep. Hixon** made a motion to **introduce RS 22386**. **Motion carried by voice vote**.

**RS 22398**

**Roger Hales**, Bureau of Occupational Licenses, presented **RS 22398**. He said new federal laws require real estate appraiser applicants to undergo a criminal background check. The intent is to comply with those regulations. He said federally backed loans require property appraisals performed by certified appraisers and that Idaho must comply with those regulations or risk decertification of the State loan programs and the ability of consumers to participate in the federally insured lending programs. He said the term "satisfactorily passed" as it pertains to a background check means that it shows no felonies or other crimes involving moral turpitude. He added the Board of Real Estate Appraisers makes the ultimate decision regarding results of background checks. He added that collection of fees from applicants will be handled by the Idaho State Police. **Rep. Morse** invoked Rule 38 disclosing that he is a certified Real Estate Appraiser and that he intends to vote.

**MOTION:**

**Rep. Palmer** made a motion to **introduce RS 22398**. **Motion carried by voice vote**.

**ADJOURN:**

There being no further business to come before the committee, the meeting was adjourned at 2:14 p.m.

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Representative Thompson  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Monday, January 13, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>RS22420C1</u></a>	Dept. of Insurance - Reporting requirements, Risk Based Capital	Bill Deal, Department of Insurance
<a href="#"><u>RS22371</u></a>	Driving Businesses Licensure Board - Board member qualifications	Roger Hales, Bureau of Occupational Licenses
<a href="#"><u>RS22384</u></a>	Board of Architectural Examiners - Additional grounds for discipline, use of electronic seal, eliminates registration of firm name, foreign corporations	Roger Hales, Bureau of Occupational Licenses

COMMITTEE MEMBERS

Chairman

Henderson(Chambers)

Vice Chairman Thompson

Rep Collins

Rep Crane

Rep Palmer

Rep Barbieri

Rep Batt

Rep Agidius

Rep Clow

Rep Hixon

Rep Kauffman

Rep Monks

Rep Morse

Rep Stevenson

Rep Youngblood

Rep Smith

Rep Rusche

Rep Gannon

COMMITTEE SECRETARY

Catherine Costner

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MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Monday, January 13, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW41

**MEMBERS:** Chairman Henderson (Chambers), Vice Chairman Thompson, Representatives Collins, Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon

**ABSENT/  
EXCUSED:** None.

**GUESTS:** Bill Roder, Delta Dental; Peter Rockwell, Architect; Tony Smith, Benton Ellis; Bill Deal, Idaho Department of Insurance; Tom Donovan, Idaho Department of Insurance

**Vice Chairman Thompson** called the meeting to order at 1:30 p.m.

**RS 22420C1:** **Tom Donovan**, Department of Insurance presented **RS 22420C1**. He said this amends Section 41-5401 of the Idaho Code to add and revise definitions of "foreign insurer", "insurer", "health organization", "life and/or health insurer" and to include "fraternal benefit societies" and "health organizations" in the Risk Based Capital requirements. He explained Risk Based Capital (RBC) requirements adopted by the National Association of Insurance Commissioners (NAIC), as these requirements now extend to the previously defined health organization and fraternal benefit societies. He clarified that the Patient Protection and Affordable Care Act exempts Health Care Sharing Ministries from compliance. He said insurance companies currently operating in Idaho would not find the new RBC level 3.0 to be an undue burden as they all currently exceed this level.

He said capital adequacy standards are tailored to the amount of risk a company undertakes whereby a hypothetical formula for capital is compared against the actual capital each company maintains. He said maintaining a 3.0 Risk Based Capital level is a prudent solvency measure to identify early warning signs for insurance companies who may be struggling.

He said the Idaho Department of Insurance maintains accreditation with NAIC and some key benefits of compliance with NAIC regulations are uniformity among insurance carriers and reciprocity between carriers in multiple states.

**Mr. Donovan** said expanding the RBC requirements to fraternal organizations and health organizations has nothing to do with the Affordable Care Act. He said it applies to licensed health insurance companies and the model law predates the Affordable Care Act. He added that the RBC level is raised from a factor of 2.5 to 3.0 and that current Idaho based insurers maintain levels exceeding 3.0.

He explained language changes that clarify confidential treatment of RBC reports. He said companies now file on health insurance forms as opposed to the life insurance forms previously used. He said such filings are privileged, not subject to subpoena, and the Director of Idaho Department of Insurance can't be compelled to testify as to the contents of the confidential reports in a civil action. He said that the Director may share this information with NAIC. He added an effective date of January 1, 2015.

In response to questions from the Committee, **Mr. Donovan** said managed care organizations are required to be licensed as insurers and capitated payments become subject to the scope of Section 41-3401. He said the definition of fraternal benefit society is given in a prior section as an incorporated society, order or supreme lodge, not for profit, operated on a lodge system and gave as examples Modern Woodsman and Knights of Columbus organizations. He said that the additions of the term "health organization" will not have a negative impact on the two Idaho licensees Vision Services Plan and Delta Dental of Idaho, Incorporated, one of which already complies with reporting regulations on a voluntary basis. He said raising the RBC level from 2.5 to 3.0 would not impact the companies presently in Idaho as each company maintains a number exceeding that minimum level. He explained confidentiality language is necessary in order to comply with new model updates from NAIC. He said the insurance company reports are confidential but this information can be shared with NAIC insurance regulators. He clarified that NAIC model law allows criminal disclosure and enforcement actions. He said there are at least twenty fraternal benefits societies in Idaho but none of them are domesticated in Idaho.

**Mr. Donovan** explained that failure to pass this legislation would place Idaho at risk for losing accreditation with NAIC. This could then subject Idaho insurance carriers to additional examinations by other states. He said adding fraternal benefit societies is necessary as they have limited avenues to increase wealth such as mergers or raising stock or public offerings. He said raising the RBC standard from 2.5 to 3.0. advances an early warning trigger for identifying companies in a downward economic trend.

**MOTION:** **Rep. Rusche** made a motion to introduce **RS 22420C1**. **Motion carried by voice vote.** **Reps. Barbieri** and **Crane** requested that they be recorded as voting **NAY**.

**RS 22371:** **Roger Hales**, Bureau of Occupational Licenses, presented **RS 22371**. He said this eliminates the requirement that Idaho Driving Business Board Members have been in the driving business for at least five (5) years and allows for licensed driving instructors to also serve on the Board. He said no opposition has been expressed from member businesses. He said the emergency clause allows for the changes in statute to take effect immediately as the date of July, 2010 has been stricken from Section 54-5406 (2) regarding new applicants' completion of a board approved training program. He clarified that the Board will then be able to license someone prior to July 3.

In response to questions from the committee, **Mr. Hales** confirmed that the Board originated in 2010. He explained that the Board does not issue blanket reciprocity to applicants with out of state licenses as it reserves the allowance for discretion. He said the Board evaluates the training of the out-of-state applicant and makes an informed decision when compared to the Idaho standard education of sixty (60) hours in the classroom and one-hundred eight (108) hours behind the wheel.

**MOTION:** **Rep. Hixon** a motion to introduce **RS 22371**. **Motion carried by voice vote.** **Rep. Barbieri** requested that he be recorded as voting **NAY**.

**RS 22384:** **Roger Hales**, Bureau of Occupational Licenses presented **RS 22384** relating to architect apprenticeship requirements by eliminating the three year apprenticeship. As architectural internship is a nationally administered requirement based upon accredited education, the three year period is no longer used. He explained the two added grounds for discipline by the Board of Architectural Examiners in Section 54-305 (J), and (K). He said it is essential that the Idaho Board be able to discipline an Idaho architect no matter which state the violation may have occurred and give provisions in the event an architect fails to comply with a Board order .

He said Section 54-307 (3) is stricken in its entirety as the Board only licenses individuals and not corporations. He said Section 54-308 is revised to clarify the use on an architect's electronic seal. Mr. Hales said these proposed changes have been posted on the Idaho Board of Architectural Examiners website since October of 2013 and submitted to the Idaho Board of Professional Engineers. He said two comments were received with no other concerns expressed. In response to questions from the Committee, **Mr. Hales** clarified that the term foreign partnership or firm means out-of- state partnership or firm.

**MOTION:** **Rep. Morse** made a motion to introduce **RS 22384. Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:32 p.m.

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Representative Thompson  
Chair

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Catherine Costner  
Secretary



**AMENDED AGENDA #1**  
**HOUSE BUSINESS COMMITTEE**  
**MORSE SUBCOMMITTEE**  
Administrative Rules  
1:30 P.M.  
Room EW41  
Wednesday, January 15, 2014

DOCKET NO.	DESCRIPTION	PRESENTER
<a href="#">10-0101-1301</a>	Professional Engineers and Land Surveyors	Keith Simila, Board Prof. Engrs and Land Surveyors
<a href="#">10-0102-1301</a>	Professional Engineers and Land Surveyors - Professional Responsibility	Keith Simila, Board Prof. Engrs and Land Surveyors
<a href="#">10-0104-1301</a>	Professional Engineers and Land Surveyors - Continuing Professional Development	Keith Simila, Board Prof. Engrs and Land Surveyors
<a href="#">18-0104-1301</a>	Department of Insurance - Bail Agents	Tom Donovan, Department of Insurance
<a href="#">18-0123-1301</a>	Department of Insurance - Insurance Holding Company System Regulatory Act	Tom Donovan, Department of Insurance
<a href="#">18-0150-1301</a>	Department of Insurance - International Fire Code	Mark Larson, State Fire Marshall
<a href="#">33-0101-1301</a>	Real Estate Commission	Jeannie Jackson-Heim, Real Estate Commission

COMMITTEE MEMBERS

Chairman Morse  
Rep.Clw  
Rep.Stevenson  
Rep.Gannon

COMMITTEE SECRETARY

Catherine Costner  
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MINUTES  
**HOUSE BUSINESS COMMITTEE**  
**MORSE SUBCOMMITTEE**  
Administrative Rules

**DATE:** Wednesday, January 15, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW41

**MEMBERS:** Chairman Morse, Representatives Clow, Stevenson, Gannon

**ABSENT/  
EXCUSED:** None

**GUESTS:** Keith Simila, Idaho Board of Professional Engineers and Land Surveyors; Kim Coster, Real Estate Commission; Jeanne Jackson-Heim, Real Estate Commission; Michell Bird, Real Estate Commission; Mark Larson, State Fire Marshall; Rich McAllister, DFM; John Eaton, Realtor; Tom Donovan, Idaho Department of Insurance; Brad Hunt, Office of Administrative Rules; Bill Deal, Department of Insurance; Miguel Legarreta, Realtor; Jason Vial, House Majority Intern; Jesse Taylor, PBAI; Don Gelsomino, Senate Majority Caucus

**Chairman Morse** called the meeting to order at 1:32 p.m.

**DOCKET NO. 10-0101-1301:** **Keith Simila**, Board of Professional Engineers and Land Surveyors presented **Docket No. 10-0101-1301**. He said this relates to the Board's Rules of Procedure. This rule has the support of professional engineering and land surveying societies and associations in Idaho. The National Council of Examiners for Engineering and Surveying (NCEES) has adopted national standards for surveyors to be eligible as Surveyor Interns. This rule modifies the college courses required to be eligible for the Fundamentals of Surveying Examination or be licensed by comity with another state. He said this requirement aligns with Idaho State University's (ISU) curriculum for a four-year degree in surveying. The ISU program is Board approved and the standard to which other survey degree programs are compared. He said the effective date is July 1, 2014.

**Brad Hunt**, Administrative Rules Coordinator, came to the podium to clarify grammar and marking conventions of rules.

In response to questions, **Mr. Simila** said there is no national credentialing organization for land surveyors at present. He said that these education requirements do not increase the number of required courses, rather that minimum course work for math and science are included and that ISU's curriculum requirements currently exceed these minimums. He said that a later date of implementation has not been considered as Idaho students undertaking the bachelor's degree program in surveying must currently take these specified courses in order to graduate. He said students are not caught between two courses of curriculum. He said North Idaho College does not offer survey technician classes, however Lewis-Clark College is developing a four-year degree program to be offered some time in the future. He said the proposed rule has less prescriptive education requirements and more general education requirements. He defined the Washington Accord as a consortium of countries that have agreed to recognize one other's credentialing systems and standards. He said the core standards address students enrolled in foreign institutions where general education core curriculum is not on par with that of United States institutions granting four-year degrees.

**MOTION:** **Rep. Clow** made a motion to recommend approval of **Docket 10-0101-1301** to the full Committee with the exception of **Section 017.02 (c)**.

**SUBSTITUTE MOTION:** **Rep. Gannon** made a substitute motion to recommend approval of **Docket 10-0101-1301** to the full committee with exception of **Section 017.02(c)** which shall be amended to a date of July 1, 2015.

**MOTION WITHDRAWN:** **Rep. Gannon** withdrew his substitute motion to recommend approval of **Docket 10-0101-1301** to the full committee with exception of **Section 017.02(c)** which shall be amended to a date of July 1, 2015.

**VOTE ON MOTION:** **Motion carried by voice vote.**

**DOCKET NO. 10-0102-1301:** **Keith Simila**, Board of Professional Engineers and Land Surveyors presented **Docket No. 10-0102-1301** relating to the Board's Rules of Professional Responsibility. He said this rule has the support of professional engineering and surveying societies and associations in Idaho. He said the rule defines the types of engineering and land surveying positions in a business entity that are subject to these provisions. He said, in addition, the Board is proposing a rule which requires all licensees to adhere to the Ethics in Government Act, 59-701, Idaho Code. He explained that a violation of that law is a violation of the Rules of Professional Responsibility.

**MOTION:** **Rep. Clow** made a motion to recommend approval of **Docket No. 10-0102-1301** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO. 10-0104-1301:** **Keith Simila**, Board of Professional Engineers and Land Surveyors, presented **Docket No. 10-0104-1301** relating to continuing professional development. He said the rule has the support of professional engineering and surveying societies and associations in Idaho. He explained the rule corrects an error which inadvertently places an attendance requirement in the wrong section.

**MOTION:** **Rep. Clow** made a motion to recommend approval of **Docket No. 10-0104-1301** to the full committee. **Motion carried by voice vote.**

**DOCKET NO. 18-0104-1301:** **Tom Donovan**, Department of Insurance, presented **Docket No. 18-0104-1301** relating to bail agents. He said the Department of Insurance followed procedures of negotiated rule making and published a notice of intent followed by a July 17, 2013 public hearing which yielded no attendance. He said this rulemaking will delete Section 016 from Rule 18.01.04 to conform with a 2013 Idaho Supreme Court ruling interpreting Section 41-1042, Idaho Code.

**MOTION:** **Rep. Gannon** made a motion to recommend approval of **Docket No. 18-0104-1301** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO. 18-0123-1301:** **Tom Donovan**, Department of Insurance, presented **Docket No. 18-0123-1301** relating to the Idaho Insurance Holding Company System Regulatory Act. He said this updates the existing rule consistent with changes made to Title 41, Chapter 38 of the Idaho Code following the 2013 legislative passage of House Bill 197. He said the process for negotiated rulemaking took place and a public hearing was held on July 17, 2013 and attended by one person. There is no known opposition. He said the rule cleans up references to prior code sections, updates legal authority and references, moves definitions to a new section and requires a new Form (F) - Risk Enterprise Report as required by **H 197**. He added that Section 13 adds a request for extension when an insurance company is required to file a form but cannot meet the deadline. He said the proposed changes create consistency with the National Association of Insurance Commissioners (NAIC) model, but are not substantive in meaning.

**MOTION:** **Rep. Stevenson** made a motion to recommend approval of **Docket No. 18-0123-1301** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO. 18-0150-1301:** **Mark Larson**, State Fire Marshall, presented **Docket No. 18-0150-1301** relating to adoption of the International Fire Code. He said this rule adopts the 2012 Edition of the International Fire Code. He said a process of negotiated rulemaking took place; a notice of public hearing was given, however no one appeared. He said there is no known opposition.

**MOTION:** **Rep. Gannon** made a motion to recommend approval of **Docket No. 18-0150-1301** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO. 33-0101-1301:** **Jeanne Jackson-Heim**, Idaho Real Estate Commission, presented **Docket No. 33-0101-1301** relating to continuing education. She said the Commission formed a work group of industry representatives to review the addition of approved topics for continuing education to include those which promote the professionalism and business proficiency of the licensee. She noted that no one appeared at the public hearing held on August 27, 2013 and there is no known opposition.

**Rep. Morse** invoked **Rule 38** disclosing that he has an inactive Real Estate Brokers license and that he intends to vote.

**MOTION:** **Rep. Clow** made a motion to recommend **Docket No. 33-0101-1301** to the full Committee. **Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the subcommittee, the meeting was adjourned at 2:40 p.m.

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Representative Morse  
Chair

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Catherine Costner  
Secretary

**AMENDED AGENDA #2**  
**HOUSE BUSINESS COMMITTEE**  
**AGIDIUS SUBCOMMITTEE**  
Administrative Rules - Agidius  
**3:30 P.M.**  
**Room EW40**  
**Thursday, January 16, 2014**

<b>DOCKET NO.</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>14-0101-1301</u></a>	Board of Registration Professional Geologists	Roger Hales, Bureau of Occupational Lic.
<a href="#"><u>24-0201-1301</u></a>	Board of Barber Examiners	Roger Hales, Bureau of Occupational Lic.
<a href="#"><u>24-0801-1301</u></a>	State Board of Morticians	Roger Hales, Bureau of Occupational Lic.
<a href="#"><u>24-1801-1301</u></a>	Real Estate Appraiser Board	Roger Hales, Bureau of Occupational Lic.
<a href="#"><u>24-2501-1301</u></a>	Idaho Driving Businesses Licensure Board	Roger Hales, Bureau of Occupational Lic.
<a href="#"><u>24-0401-1301</u></a>	Idaho Board of Cosmetology (Fee Rule)	Roger Hales, Bureau of Occupational Lic.
<a href="#"><u>24-0701-1301</u></a>	Idaho State Board of Landscape Architects (Fee Rule)	Roger Hales, Bureau of Occupational Lic.

COMMITTEE MEMBERS

Chairman Agidius  
Rep.Kauffman  
Rep.Monks  
Rep.Smith

COMMITTEE SECRETARY

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MINUTES  
**HOUSE BUSINESS COMMITTEE**  
**AGIDIUS SUBCOMMITTEE**  
Administrative Rules - Agidius

**DATE:** Thursday, January 16, 2014  
**TIME:** 3:30 P.M.  
**PLACE:** Room EW40  
**MEMBERS:** Chairman Agidius, Representatives Kauffman, Monks, Smith  
**ABSENT/  
EXCUSED:** None.  
**GUESTS:** Dennis Stevenson, Administrative Rules Coordinator

**Chairman Agidius** called the meeting to order at 3:33 p.m.

**DOCKET NO. 14-0101-1301:** **Roger Hales**, Bureau of Occupational Licenses presented **Docket No. 14-0101-1301** relating to the Board of Registration for Professional Geologists. He said the Board is amending its rules to define the term 'responsible charge' and to clarify when a geologist can seal documents that someone else prepared in Section 100.07 (e). He said this is a clarification of the language and is consistent with the national approach and with that of other professions. He explained that Section 100.07 (f) is added to determine the procedure for transfer of professional responsibility for documents in the event the responsible charge must transfer from one geologist to another. An example would be when a registrant in charge of a project leaves employment, is transferred, is promoted, becomes incapacitated, dies or is otherwise not available to seal, sign and date final documents. He said an open notice of proposed rule changes occurred and was posted on the Board's website with no known opposition.

**MOTION:** **Rep. Kauffman** made a motion to recommend approval of **Docket No. 14-0101-1301** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO. 24-0201-1301:** **Roger Hales**, Bureau of Occupational Licenses presented **Docket No. 24-0201-1301** relating to the Board of Barber Examiners. He said a reduction in regulation eliminates continuing education for licensed barber instructors as it is difficult to find, expensive and a burden. He said this change will not jeopardize public health and very little change in occurs for the profession. The Board is removing a grandfather provision, Section 300, that is no longer applicable. He said an open notice of proposed rule changes occurred and was posted on the Board's website with no known opposition.

**Kevin Moriarty**, Board of Barber Examiners, came to the podium for technical questions. He said 1,800 hours of instruction in a school setting are required for licensing.

**MOTION:** **Rep. Monks** made a motion to recommend approval of **Docket No. 24-0201-1301** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO.  
24-0801-1301:**

**Roger Hales**, Bureau of Occupational Licenses presented **Docket No. 24-0801-1301** relating to the Board of Morticians. He said the Board is updating rules to include a new technology for treating remains called alkaline hydrolysis as an approved cremation process. He said although this process is not currently available in Idaho, other states have approved this method. He described alkaline hydrolysis as a process involving the use of chemicals, heat, and pressure to reduce remains. He noted the process meets or exceeds United States Center for Disease Control (CDC) sanitary requirements and complies with all other Federal and State requirements. He said the common term for the process is 'retort'.

**Mr. Hales** said Section 455.01 has added the term 'funeral director' to the list of individuals who can sign records regarding burial, cremation and other disposition of human remains. He said the Board is updating its discipline rule to include Funeral Directors and is not adding any new licensing requirements. He noted this addition eliminates inconsistencies in the language of the law. He said an open notice of proposed rule changes occurred and was posted on the Board's website with no known opposition.

**Jim Opdahl**, Chairman, Board of Morticians, was introduced to stand for technical questions.

**MOTION:**

**Rep. Smith** made a motion to recommend approval of **Docket No. 24-0801-1301** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO.  
24-1801-1301:**

**Roger Hales**, Bureau of Occupational Licenses presented **Docket No. 24-1801-1301** relating to the Real Estate Appraiser Board. He said these rule changes result from a federal mandate and must be in place January 1, 2015. He said the definition of 'accredited' is added to Section 010 and an archaic definition is deleted as the referenced organization no longer exists. He said language in Section 250.01 is simplified to eliminate old dates and meet new requirements. He outlined the four types of professionals as Registered Trainee Real Estate Appraiser, Licensed Residential Real Estate Appraiser, Certified Residential Real Estate Appraiser, Certified General Real Estate Appraiser. He noted the federal mandate sets required education levels and course work for each type of professional. He noted a requirement of the Licensed Residential Real Estate Appraiser that licensees will hold an Associates Degree or higher from an accredited college or university and Certified General Real Estate Appraiser licensees to hold a bachelor's degree or higher from an accredited college or university on or after January 1, 2015 as well as other specific course work and training.

He said Section 401.02 (b) is added to include on-line and distance learning options for continuing education.

He said the Board is eliminating the limitation of reciprocity for individuals licensed in other states in Section 450 by striking out 450.03 in its entirety. He clarified that other state real estate appraiser licenses will be recognized in Idaho. **Mr. Hales** said Section 526 regarding Real Estate Appraisers providing opinions in court proceedings has been added. He said an open notice of proposed rule changes occurred and was posted on the Board's website, as well as post cards sent out to all licensees, with no known opposition.

In response to questions from the Subcommittee, **Mr. Hales** said that reciprocity is common as all states must comply with the provisions of the federal program known as the Dodd-Frank Act. He said no objection has been raised to the start date of January 1, 2015 for changes to education requirements.

**Brad Janoush**, Chairman of the Board was introduced for technical questions.

**MOTION:**

**Rep. Kauffman** made a motion to recommend approval of **Docket No. 24-1801-1301** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO.  
24-2501-1301:**

**Roger Hales**, Bureau of Occupational Licenses presented **Docket No. 24-2501-1301** relating to Idaho Driving Licensure Board. He said H 127 passed in 2013 which allows the Board to collect fees from applicants for criminal background checks prior to granting the license. This rule change allows the Board to collect and send associated fees to the Idaho State Police as agency in charge.

He said Section 275.03 Instructor Apprenticeship Training Program clarifies language that relates to an apprenticeship permit. He said this allows businesses to hire apprentices and know that the permit requirements have been met. He added the change removes a burden from the businesses and places it with the Board. He said an open notice of proposed rule changes occurred and was posted on the Board's website with no known opposition.

**Mike Dillon**, Member of the Board, was introduced for technical questions.

**MOTION:**

**Rep. Smith** made a motion to recommend approval of **Docket No. 24-2501-1301** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO.  
24-0401-1301:**

**Roger Hales**, Bureau of Occupational Licenses presented **Docket No. 24-0401-1301** relating to Idaho Board of Cosmetology. He said Rule 010 is amended to add a definition for 'clinical services', Rule 125 is amended to reduce all fees; Rule 500 is amended to clarify the inspection process for new schools of cosmetology; Rule 575 is amended to clarify when a student can provide clinical services; Rule 800 is amended to clarify those rules which schools and establishments must post. He said an open notice of proposed rule changes occurred and was posted on the Board's website with no known opposition.

He said Section 010.17 defines the term 'clinical services'. He described a reduction of all fees for permits, licenses and annual renewals of individuals, establishments, makeover or glamour photography businesses, schools of cosmetology, apprentices, instructors and endorsements in Section 125.01 (a) - 125.01 (p). He noted the Idaho system of housing professional boards under the Bureau of Occupational Licenses results in efficiencies for all the of professional boards. He said this allows the Board to decrease fees and yet remain self-supporting.

**Mr. Hales** said Section 500.01 (a) is amended to simply language so that the timing for the inspection of new schools can be done after new construction is finalized rather than the time limit 'not to exceed thirty (30) days after receipt of application. He said this makes is possible for the school to tender the application well in advance of completion of any construction.

He said changes to Section 800.12 clarifies that only the sanitary rules must be displayed in the work areas.

**MOTION:**

**Rep. Monks** made a motion to recommend approval of **Docket No. 24-0401-1301** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO.  
24-0701-1301:**

**Roger Hales**, Bureau of Occupational Licenses presented **Docket No. 24-0701-1301** relating to Idaho State Board of Landscape Architects. He said Rule 300.1 is amended to clarify a passing score of the examination. He said Rule 400 is amended to remove the processing fee for the examination as the Board no longer conducts the examination, rather it is a national exam. He said the Board reserves the right to approve other examinations however scoring is performed by the National Organization. He said these changes arose from a comment by a member, a notice of proposed rule changes occurred and was posted on the Board's website with no known opposition.

**Jon Breckon**, Board member was introduced to answer technical questions.



**MOTION:**        **Rep. Smith** made a motion to recommend approval of **Docket No. 24-0701-1301** to the full Committee. **Motion carried by voice vote.**

**ADJOURN:**        There being no further business to come before the subcommittee, the meeting was adjourned at 4:32 p.m.

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Representative Agidius  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Tuesday, January 21, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#">H 346</a>	Board of Landscape Architects - Landscape Architect in Training	Roger Hales, Bureau of Occ. Licenses
<a href="#">H 347</a>	Board of Real Estate Appraisers - Criminal Background Checks for Applicants	Roger Hales, Bureau of Occ. Licenses
<a href="#">H 359</a>	Driving Business Licensure Board Apprenticeship Requirements	Roger Hales, Bureau of Occ. Licenses

COMMITTEE MEMBERS

Chairman

Henderson(Chambers)

Vice Chairman Thompson

Rep Collins

Rep Crane

Rep Palmer

Rep Barbieri

Rep Batt

Rep Agidius

Rep Clow

Rep Hixon

Rep Kauffman

Rep Monks

Rep Morse

Rep Stevenson

Rep Youngblood

Rep Smith

Rep Rusche

Rep Gannon

COMMITTEE SECRETARY

Catherine Costner

Room: EW58

Phone: 332-1139

email: [hbus@house.idaho.gov](mailto:hbus@house.idaho.gov)

MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Tuesday, January 21, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW41

**MEMBERS:** Chairman Henderson (Chambers), Vice Chairman Thompson, Representatives Collins, Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon

**ABSENT/  
EXCUSED:** Reps. Thompson, Crane

**GUESTS:** None.

**Chairman Collins** called the meeting to order at 1:30 p.m.

**MOTION:** **Rep. Hixon** made a motion to approve the minutes of January 9, 2014. **Motion carried by voice vote.**

**MOTION:** **Rep. Hixon** made a motion to approve the minutes of January 13, 2014. **Motion carried by voice vote.**

**H 346:** **Roger Hales**, Bureau of Occupational Licenses, presented **H 346** relating to landscape architects-in-training. He said the title "landscape architect-in-training", defined in Section 54-3002 (5) as a person who has met the qualifications of being at least 18 years of age and having the appropriate education, may use this title while working under the supervision of a licensed landscape architect, prior to passing the examination. He said these changes were published on the Board's website and post cards were mailed to all licensees with no known opposition.

**MOTION:** **Rep. Kauffman** made a motion to send **H 346** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Kauffman** will sponsor the bill on the floor.

**H 347:** **Roger Hales**, Bureau of Occupational Licenses, presented **H 347** relating to the Board of Real Estate Appraisers and criminal background checks for applicants. He said the self-governing Real Estate Appraiser Board is made up of licensed Real Estate Appraisers. He said these changes comply with the federal requirement for criminal background checks on applicants. He explained this change will allow the Board to collect fees and pass them on the Idaho State Police. Mr. Hales said proposed revisions have been posted on the Board's website since October 7, 2013, notices were sent to interested parties and licensees with no known opposition.

In response to questions from the Committee, **Mr. Hales** said the fee for background checks of \$41.50 is remitted to the Idaho State Police who performs the service.

**Rep. Morse** invoked **Rule 38** disclosing he has an inactive Real Estate Appraiser's General Certified license and that he intends to vote.

**Rep. Morse spoke in favor** of **H 347** as it complies with and assures the continuance of federally insured real estate lending programs for the citizens of Idaho.

**MOTION:** **Rep. Youngblood** made a motion to send **H 347** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Youngblood** will sponsor the bill on the floor.

**H 359:** **Roger Hales**, Bureau of Occupational Licenses, presented **H 359** relating to the Driving Business Licensure Board apprenticeship requirements. He said this self-governing Board regulates the practice of private driving businesses and is made up of licensees and one public member. He introduced **Mike Dillon** as the public member of the Board. He said due to the relatively small number of individuals who own businesses and can fill the Board position, this change allows licensed driving instructors also to be members of the Board. He said it clarifies and eliminates outdated language associated with original Board member requirements. Mr. Hales said **H 359** allows the Board to waive the apprenticeship requirement for licensure for those applicants who hold a current equivalent license in another state or who otherwise satisfy the training experience of sixty hours in the classroom and one hundred-eight hours behind the wheel. He said this change is meant to eliminate a barrier to business.

In response to questions from the Committee, **Mr. Hales** said the Department of Education will allow private drivers to cross certify as instructors in order to allow a pathway between both professions.

**MOTION:** **Rep. Gannon** made a motion to send **H 359** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Gannon** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the Committee, the meeting was adjourned at 1:45 p.m.

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Representative Collins  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Thursday, January 23, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#">RS22580</a>	Inactive Status Contractor	Rep. Bateman
<a href="#">RS22548</a>	Elevator Contractors, Mechanics and Trainees and the Idaho Elevator Safety Act.	Phil Hardy
<a href="#">H 358</a>	Department of Insurance - Risk Based Capitol	Tom Donovan, Dept. of Insurance
<a href="#">H 360</a>	Board of Architects - Licensing of Individuals, Licensing of Foreign Partnerships	Roger Hales, Bureau of Occupation Licensing
<a href="#">H 363</a>	Cosmeticians - Licensed Apprentices, Practicing on a Relative	Roger Hales, Bureau of Occupation Licensing

COMMITTEE MEMBERS

Chairman

Henderson(Chambers)

Vice Chairman Thompson

Rep Collins

Rep Crane

Rep Palmer

Rep Barbieri

Rep Batt

Rep Agidius

Rep Clow

Rep Hixon

Rep Kauffman

Rep Monks

Rep Morse

Rep Stevenson

Rep Youngblood

Rep Smith

Rep Rusche

Rep Gannon

COMMITTEE SECRETARY

Catherine Costner

Room: EW58

Phone: 332-1139

email: hbus@house.idaho.gov

MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Thursday, January 23, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW41

**MEMBERS:** Chairman Henderson (Chambers), Vice Chairman Thompson, Representatives Collins, Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon

**ABSENT/  
EXCUSED:** Reps. Kauffman, Collins

**GUESTS:** Josh Watts, Registered Contractor; Tyler Mallard, IBCA; Phil Hardy, Strategies 360; Justin Lee, Schindler Elevator; Mick Williams, OBS; Tom Donovan, Department of Insurance; Tom Gilbert, IBCA; Chris Gow, IBCA; Tony Smith, Idaho Chapter of American Institute of Architects; Dave Yorgason, IBCA, BCASWI; Larry Benton, Cosmetology Schools; Steve Martinez, IBCA; Ted Martinez, IBCA; Pat Minegar, IBCA; Leon Duce, AIC; Dennis Schaffner, IBCA; Chuck Miller, IBCA; Jake Centers, BCA, Brad Hunt, OARC; Joel Morden, Hubble Homes; Jon Hastings, Tresedro Homes; Greg Hathaway, Hubble Homes; Clint Wall, Tahoe Homes; Russell Westerberg, Truth Justice + Etc; James Chyd, James Chyd Construction Homes; Tony Luchiri, Tahoe Homes; Julie Taylor, Blue Cross of Idaho; Shad Priest, Regence Blue Shield; Woody Richards, Insurance Companies; Matt Fisher, Ginna Construction/IBCA; Jeff Fitzluft, Underwriters Laboratories; Dave Poidy, City of Boise; Raub Owens, City of Twin Falls

**Chairman Thompson** called the meeting to order at 1:30 p.m.

**RS 22580:** **Rep. Bateman** presented **RS 22580** relating to a method whereby an active status residential building contractor may become an inactive status contractor during which time liability insurance shall not be required to submit bids. He said this is brought forth at the request of several contractors who are experiencing difficult economic times and this legislation is designed to assist them. He said contractors would pay a fee of \$35 to the Bureau of Occupational Licenses to place the contractor registration as an inactive status during which signs posted on properties would remain in place and the contractor could submit bids. He explained that once bids are accepted, the contractor would pay another \$35 fee and resume active status. He added this would not allow a contractor to begin work without liability insurance coverage. He said it encourages entrepreneurship and establishment of new contractors in the business community.

**Josh Watts**, Registered Contractor, spoke **in support** of **RS 22580**. He said it is designed to reduce overhead costs during times of seasonal lull and enables bidding without incurring the cost of liability insurance coverage. He said currently he can't offer bids without liability insurance coverage in place. He said the change would alleviate a start up cost for small businessmen and make residential building contracting easier and more attractive to entrepreneurship. In response to questions from the Committee, he said contractors in Idaho are called registered contractors rather than licensed contractors. He said the contractor would have to show proof of insurance to the clients prior to the start of projects.

**Rep. Monks** invoked Rule 38 stating that he has a possible conflict of interest as he is a registered contractor and that he intends to vote.

**Rep. Crane** invoked Rule 38 stating that he has a possible conflict of interest as he is a registered contractor and that he intends to vote.

**MOTION:**

**Rep. Palmer** made a motion to introduce **RS 22580**.

**Rep. Morse** spoke to the motion and said **RS 22580** would have benefitted from collaboration with the Department of Insurance. He explained that licensing and insurance requirements for contractors are an issue of public protection.

In response to further questions from the Committee, **Mr. Watts** said the bidding process is integral to the business of contracting. He said general liability insurance does not cover errors in bids, rather it covers accidents on the job site. He explained the bid bonds cover mistakes in the bid. He said the cost of liability insurance may be listed as a line item in a bid. He said the bid number may not be raised to add the cost of liability insurance after a job is procured. He said the insurance is in effect for a period of time and not based upon a project size. He said the allowance for signs posted on properties for sale refers to speculative homes and building lots where no general liability insurance is needed as no work is being conducted. He said general liability insurance is an annual policy which does not become inactive when the contractor has no work. However, current regulations say a contractor cannot have a website or signage on properties without being a registered contractor and this, in turn, requires general liability insurance to be in place.

In response to questions from the Committee, **Rep. Bateman** said he did not consult the Idaho Building Contractor's Association for the crafting of this legislation. He said he is bringing **RS 22580** before the Committee at the request of a constituent.

**Rep. Batt** spoke in support of introducing **RS 22580**.

**ROLL CALL  
VOTE:**

**Chairman Thompson** requested a roll call vote on **RS 22580**. **Motion carried by a vote of 11 AYE, 5 NAY and 2 ABSENT/EXCUSED. Voting in favor of the motion: Reps. Crane, Palmer, Barbieri, Batt, Agidius, Hixon, Monks, Stevenson, Youngblood, Rusche, Henderson (Chambers). Voting in opposition to the motion: Reps. Thompson, Clow, Morse, Smith, Gannon. Absent/Excused: Reps. Kauffman, Collins.**

**RS 22548**

**Phil Hardy**, Strategies 360, presented **RS 22548** relating to elevator contractors, elevator mechanics, elevator trainees and the Idaho Elevator Safety Act. He said there are currently in 3,085 elevators in Idaho registered with the Division of Building Safety and the rules are currently not found in Elevator Safety Code, rather they are within the Electrical Code. He explained similar legislation has passed in Utah, Montana, Oregon, and Washington. He said members of the Building Owners and Management Association (BOMA), the Associated General Contractors (AGC), commercial real estate managers, and Otis Elevators were consulted about **RS 22548**. He said there is no known opposition.

In response to questions from the Committee, **Mr. Hardy** said this statute refers to commercial and public conveyances only. He said the language defines contractors and mechanics. He added that no new safety boards or standards are created, nor will additional hiring be required of the Division of Building Safety in order to administer these changes. He said fees will go up marginally. He confirmed all sections regarding elevator contractors, elevator mechanics, elevator trainees currently within the Idaho Electrical Code will be moved, in their entirety, to the Idaho Elevator Safety Act. He said **Section 39-8616.5 (a) - (e)** are fees which are not currently in the Idaho Electrical Code.

**Rep. Barbieri** spoke in opposition to **RS 22548**. He said the Statement of Purpose appears to be inadequate for the purpose of introduction.

**Rep. Batt** spoke in opposition to **RS 22548**. She said issues of fees and licenses need to be addressed fully in the Statement of Purpose.

**Rep. Crane** spoke in opposition to **RS 22548**. He said the Statement of Purpose must be rewritten to discuss the additional fees in **Section 39-8616.5**.

**MOTION:**

**Rep. Barbieri** made a motion to return **RS 22548** to the sponsor for revisions to the Statement of Purpose. **Motion carried by voice vote.**

**H 358:**

**Tom Donovan**, Department of Insurance, presented **H 358** relating to Risk Based Capital (RBC) reporting requirements and as a monitoring system for insurance companies. He said this legislation seeks to amend **Title 41, Chapter 54** of Idaho Code. He said Risk Based Capital reporting is a regulatory tool used to assist the Department of Insurance to identify companies approaching dangerous financial levels at an early stage. He said insurers are required to file a RBC report with their annual financial statements.

Mr. Donovan said two other types of entities who already file financial statements with the Department of Finance will also file an RBC Report. These are health organizations and fraternal benefit societies. He defined health organizations as hospital service or professional service corporations. He said two such entities are currently licensed in Idaho, one of which voluntarily submits the RBC Report. He described fraternal benefits societies as those which offer members benefits that are similar to those offered by insurance companies. He said no fraternal benefits societies are currently domiciled in Idaho. He added both types of entities are regulated by the Department of Insurance and subject to the Director's authority. He said an accreditation standard commencing January 1, 2015 will require RBC reporting for these two types of entities and 37 states have adopted this requirement at this time. He said the National Association of Insurance Commissioners (NAIC) model, adopted in 1998, predates the Patient Protection and Affordable Care Act and does not, in any way, pertain to it.

**Mr. Donovan** further clarified the protections afforded the Director of the Department of Insurance regarding confidential Risk Based Capital Reports. He said the updated language in **H 358** makes clear that RBC financial documents are not subject to subpoena. He said including health organizations in RBC reporting would not have the consequence of applying to hospitals or other providers who are not currently subject to the Department of Insurance regulations. Rather it applies to a company offering vision benefits and another offering dental benefits. He said there are 14 fraternal benefits societies licensed in Idaho, however none are domiciled in Idaho. He explained that fraternal benefits societies are subject to Risk Based Capital reporting in the states in which they are domiciled. He said NAIC has one affiliate, which does not have access to nor receive any financial information from NAIC. He said NAIC is a collective group of the insurance regulators in 54 jurisdictions (all of the states, Washington, D.C., United States Territories) who collectively share best practices, information, set accreditation standards, receive input from consumer groups and the industry, to work cooperatively.

In response to questions from the Committee, **Mr. Donovan** discussed insurance company failures in the 1980's which prompted a response. He said fraternal benefits societies were included, not due to any specific failures, rather because they already file financial statements and are subject to RBC reporting in their home states. He said there is no extra cost to the Department of Insurance for handling the RBC Reports as they are attachments to the annual financial statement.

**MOTION:**

**Rep. Rusche** made a motion to send **H 358** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Barbieri** requested that he be recorded as voting **NAY**. **Rep. Youngblood** will sponsor **H 358** on the floor.



**Rep. Youngblood** spoke in support of the motion. He said Risk Based Capital reporting is for the protection of consumers.

**Rep. Barbieri** spoke in opposition to the motion. He said he has concerns regarding the increase in regulatory authority given to the Department of Insurance.

**H 360:**

**Roger Hales**, Bureau of Occupational Licensing, presented **H 360** relating to updating the Idaho Board of Architectural Examiners law to conform to recent changes made to the nationally administered internship and examination. He said architectural internship is no longer measured in years, rather it is measured in completion of education modules.

**Mr. Hales** said the bill adds two additional grounds for the discipline of a licensee; one for violation of a Board order, and another if a licensee is disciplined in another state.

**Mr. Hales** said the bill eliminates registration of firm names as Idaho only registers individuals.

**Mr. Hales** said **H 360** clarifies use of electronic seals and what the electronic seal consists of.

**Mr. Hales** said **Section 54-316** of Idaho Code is deleted. He said imitations on foreign architecture corporations are unnecessary as Idaho does not license corporations only individuals. He explained the Board of Professional Engineers and Land Surveyors is aware of these changes and has posted them on the Board website. He noted the receipt of two comments, and the small change in language occurred due to this response. He said otherwise there is no known opposition.

**MOTION:**

**Rep. Rusche** made a motion to send **H 360** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Rusche** will sponsor the bill on the floor.

**H 363:**

**Roger Hales**, Bureau of Occupational Licensing, presented **H 363** relating to the Idaho Board of Cosmetology adding a license exemption to allow a person to practice on a relative, clarifying the practice of an apprentice, and clarifying the school representative member of the Board. He said this bill reduces regulations and clarifies the law. He said a person practicing on a relative without compensation does not require a license.

**Mr. Hales** said the language regarding practice of a licensed apprentice is easier to follow and understand and that no additional regulations are proposed.

**Mr. Hales** said **Section 3. 54-829** clarifies qualifications of Board Members. He said Board Members may now be affiliated with a school of cosmetology.

In response to questions from the Committee, **Mr. Hales** said adding the license exemption for a person practicing on a relative is in answer to a specific issue with taking care of a family member in a home setting. He added it is not intended to cover a person practicing on a person who is not a relative as there are sanitary requirements and issues of public safety which may arise.

**MOTION:**

**Rep. Gannon** made a motion to send **H 363** to General Orders. **Motion carried by voice vote.** **Rep. Crane** will sponsor the bill on the floor.

**Chairman Thompson** announced the impending return of **Rep. Henderson**. He extended the thanks of the House of Representatives Business Committee members to **Rep. John Chambers** for his service.

**ADJOURN:** There being no further business to come before the Committee, the meeting was adjourned at 2:47 p.m.

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Representative Thompson  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
**HIXON SUBCOMMITTEE**  
Administrative Rules  
Upon Adjournment of the Full Committee  
Room EW41  
Thursday, January 23, 2014

Upon Adjournment of Business Committee

DOCKET NO.	DESCRIPTION	PRESENTER
<a href="#">07-0106-1301</a>	National Electrical Code	Steve Keys, Div. of Building Safety
<a href="#">07-0110-1301</a>	Certification and Approval of Electrical Products and Materials	Steve Keys, Div. of Building Safety
<a href="#">07-0301-1301</a>	2012 International Residential Code and International Energy Conservation Code	Steve Keys, Div. of Building Safety
<a href="#">07-0301-1302</a>	International Residential Code Alternate Method of Wall Bracing	Steve Keys, Div. of Building Safety
<a href="#">07-0301-1303</a>	International Residential Code to Allow Owner-Occupied Lodging Houses	Steve Keys, Div. of Building Safety
<a href="#">07-0301-1304</a>	International Residential Code Fire Protection for Underside of Floor Assemblies	Steve Keys, Div. of Building Safety
<a href="#">07-0311-1301</a>	Manufactured/Mobile Home Industry Licensing	Steve Keys, Div. of Building Safety
<a href="#">07-0501-1301</a>	Public Works Contractors License Board	Steve Keys, Div. of Building Safety
<a href="#">07-0701-1301</a>	Installation of Heating, Ventilation and Air Conditioning Systems	Steve Keys, Div. of Building Safety

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Hixon  
Rep. Palmer  
Rep. Youngblood  
Rep. Rusche

COMMITTEE SECRETARY

Catherine Costner  
Room: EW58  
Phone: 332-1139  
email: hbus@house.idaho.gov

MINUTES  
**HOUSE BUSINESS COMMITTEE**  
**HIXON SUBCOMMITTEE**  
Administrative Rules

**DATE:** Thursday, January 23, 2014

**TIME:** Upon Adjournment of the Full Committee

**PLACE:** Room EW41

**MEMBERS:** Chairman Hixon, Representatives Palmer, Youngblood, Rusche

**ABSENT/  
EXCUSED:** None

**GUESTS:** Kelly Lamp, Southwest Idaho Electrical IATC; Angela Erickson, IBCA; Steve Pinthou, IBCH; Bob Scott, Electrical Board; Andrew Blek, Idaho State Building Code Board; Dan Hunter, Idaho State Building Code Board; Ed Wagner, Idaho Association of Building Officials; Jason Blais, Idaho Building Code Board

**Chairman Hixon** called the meeting to order at 2:53 p.m.

**DOCKET NO. 07-0106-1301:** **Steve Keys**, Division of Building Safety, presented **Docket No. 07-0106-1301**. He said this reflects the decision of the Idaho Electrical Board to adopt the 2014 edition of the National Electric Code. He said the Board desired to produce a consensus document with input from all interested parties via public meetings using video conferencing to include participation from around the state. He said the resulting Electrical Code Collaborative included fifty-five members representing all facets of the electrical industry, the home building industry, regulatory agencies, realtors, and members of the Idaho Legislature and produced a consensus document which does represent the process of negotiated rule making as established by the Legislature. Mr. Keys acknowledged the National Fire Protection (NFPA), the code's publisher, for their support during the process and for the training of inspectors who will enforce the code. He introduced **Mick Williams**, the Division of Public Safety Electrical Program Manager, to answer technical questions.

**MOTION:** **Rep. Rusche** made a motion to recommend approval of **Docket No. 07-0106-1301** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO. 07-0110-1301:** **Steve Keys**, Division of Building Safety, presented **Docket No. 07-0110-1301** relating to certification and approval of electrical products. He said this is in response to many comments and requests from Idaho industrial concerns requesting a re-evaluation of the existing requirements for the field evaluation of industrial machinery being developed and used in manufacturing environments. He explained the existing rule provides limited options for approval of unlisted, unlabeled industrial machinery. He said increased development and new technologies produce new machinery at such a rate that the existing language throws up barriers to their use. He said under the new language, field evaluations will be done in accordance with recognized criteria by an expanded base of providers, such as registered professional electrical engineers who are not directly involved with the project in question when such engineers have the expertise to perform those services.

**Jeff Fitzlove**, Underwriters Laboratory, spoke in **opposition** to **Docket No. 07-0110-1301**. He said the engineers would not have to meet the rigorous requirements that Underwriters Laboratories and other accredited agencies must adhere to. He said the engineers don't have that background. In response to questions from the Subcommittee he gave as examples packaging equipment, mixers, and boilers. He said that he does not know what effect the change would have on insurance coverage for businesses.

**Bob Scott**, Chairman State Electrical Board, spoke in **support** of **Docket No. 07-0110-1301**. He said these changes result from business complaints regarding the difficulties they encounter getting new equipment approved. He said this is a good alternative.

**MOTION:** **Rep. Palmer** made a motion to recommend approval of **Docket No. 07-0110-1301** to the full Committee. **Motion carried by voice vote.** **Rep. Rusche** requested that he be recorded as voting **NAY**.

**DOCKET NO. 07-0301-1301:** **Steve Keys**, Division of Building Safety, presented **Docket No. 07-0301-1301** relating to adoption of the 2012 International Building Code (IBC) with amendments, the 2012 International Residential Code (IRC) with amendments, the 2012 International Existing Building Code (IEBC) without amendments, and the 2012 International Energy Conservation Code (IECC) with amendments. He said the adoption of these new versions of the building codes is the result of a collaboration of interested parties known as the Building Code Collaborative. He said this group worked through multiple meetings to arrive at a consensus document reflecting a baseline requirement that all could agree with.

**Andrew Bick**, Chairman of the Building Code Board came to the podium to answer technical questions.

**Dave Jorgeson**, Building Contractors Association of Southwest Idaho spoke in **support** of **Docket No. 07-0301-1301**. He said he appreciates the collaborative effort and supports the code changes.

**Rep. Palmer** spoke in **support** of **Docket No. 07-0301-1301**.

**MOTION:** **Rep. Rusche** made a motion to recommend approval of **Docket No. 07-0301-1301** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO. 07-0301-1302:** **Steve Keys**, Division of Building Safety, presented **Docket No. 07-0301-1302** relating to a amendment to the 2012 International Residential Code, allowing an alternative method for wall bracing. He said the Board elected to run this docket separately to assure that adoption of the code would not be adversely affected should opposition to this amendment become significant.

**MOTION:** **Rep. Youngblood** made a motion to recommend approval of **Docket No. 07-0301-1302** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO. 07-0301-1303:** **Steve Keys**, Division of Building Safety, presented **Docket No. 07-0301-1303** relating to the International Residential code which modifies existing Section R101.2. He said it allows owner occupied lodging houses with three or fewer guest rooms to be constructed in accordance with the International Residential Code for one- and two-family dwellings in that the affected structures must be equipped with smoke alarms and carbon monoxide alarms. He said the code prior to amendment would allow owner-occupied lodging houses with five or fewer guest rooms, but would also require a fire sprinkler system. He said the State Fire Marshall participated in the process of rulemaking.

**MOTION:** **Rep. Rusche** made a motion to recommend approval of **Docket No. 07-0301-1303** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO.  
07-0301-1304:**

**Steve Keys**, Division of Building Safety, presented **Docket No. 07-0301-1304** relating to the International Residential Code and deletes Section R501.3 and its exceptions. He said this would allow for not providing extra protection over those engineered floor joists when used in lieu of dimensional lumber.

In response to questions from the committee, **Mr. Keys** said this would lessen the fire protection requirement for those engineered wood products.

**Dan Hunter**, Canyon County Building Official, spoke **in support** of **Docket No. 07-0301-1304**. He said this arose from a collaborative effort and discussions with firefighters who are in opposition to the deletion of section R501.3. He said the underlying reason is that the extra construction costs for applying this layer of material is prohibitive and the number of failures due to inadequate fire sheathing in engineered floor joists are few. He said he does not have an exact number of failures and the cost difference is unknown as it depends upon the square footage of the structure.

**Jason Blais**, City of Boise Building Official, spoke **in support** of **Docket No. 07-0301-1304**. He said this section affects unfinished basements. He explained the section requires the contractor to finish the basement ceiling with drywall to inhibit the fire spread. In response to questions from the Committee, he said there has never been a requirement in Idaho to finish basements with drywall.

**MOTION:**

**Rep. Rusche** made a motion to recommend approval of **Docket No. 07-0301-1304** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO.  
07-0311-1301:**

**Steve Keys**, Division of Building Safety, presented **Docket No. 07-0311-1301** relating to manufactured and mobile home industry licensing. He said changes were made to definitions to align with definitions already contained in the governing statute and federal regulations.

**Jack Lyman**, Idaho Housing Alliance, spoke **in support** of **Docket No. 07-0311-1301**.

**MOTION:**

**Rep. Youngblood** made a motion to recommend approval of **Docket No. 07-0311-1301** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO.  
07-0501-1301:**

**Steve Keys**, Division of Building Safety, presented **Docket No. 07-0501-1301** relating to the Public Works Contractors License Board wish to accommodate digital formats as digital formats other than facsimile were previously banned. He said this would refine the application process and facilitate quicker consideration of the applications. He said it corrects language that could be misinterpreted and clarifies renewal.

**MOTION:**

**Rep. Rusche** made a motion to recommend approval of **Docket No. 07-0501-1301** to the full Committee. **Motion carried by voice vote.**

**DOCKET NO.  
07-0701-1301:**

**Steve Keys**, Division of Building Safety, presented **Docket No. 07-0701-1301** relating to the installation of heating, ventilation and air conditioning systems and the adoption of the 2012 International Mechanical Code (IMC), the 2012 International Fuel Gas Code (IFGC) and Parts V and VI of the International Residential Code. He said this consensus document with amendments arose from a collaborative effort.

**Rep. Palmer** spoke **in support** of the collaborative effort provided by the Division of Building Safety in producing these rule changes.

**MOTION:**

**Rep. Palmer** made a motion to recommend approval of **Docket No. 07-0701-1301** to the full Committee. **Motion carried by voice vote.**

**ADJOURN:**      There being no further business to come before the Subcommittee, the meeting was adjourned at 3:27 p.m.

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Representative Hixon  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Monday, January 27, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	Reports of Administrative Rules Subcommittees	Rep. Thompson
<a href="#"><u>RS22617</u></a>	Professional Engineering an the Application of Engineering Principles and Data	Rep. Kauffman

COMMITTEE MEMBERS

Chairman

Henderson(Chambers)

Vice Chairman Thompson

Rep Collins

Rep Crane

Rep Palmer

Rep Barbieri

Rep Batt

Rep Agidius

Rep Clow

Rep Hixon

Rep Kauffman

Rep Monks

Rep Morse

Rep Stevenson

Rep Youngblood

Rep Smith

Rep Rusche

Rep Gannon

COMMITTEE SECRETARY

Catherine Costner

Room: EW58

Phone: 332-1139

email: hbus@house.idaho.gov



MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Monday, January 27, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW41

**MEMBERS:** Chairman Henderson, Vice Chairman Thompson, Representatives Collins, Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon

**ABSENT/  
EXCUSED:** Rep. Collins

**GUESTS:** Tom Donovan, Idaho Department of Insurance; Mark Larson, State Fire Marshall; Keith Simila, Idaho Board of Professional Engineers and Land Surveyors; Jeremy Chou, Givens Pursley

**Chairman Henderson** called the meeting to order at 1:30 p.m.

**MOTION:** **Rep. Hixon** made a motion to approve the minutes of the meeting of the January 21, 2014 meeting. **Motion carried by voice vote.**

**MOTION:** **Rep. Morse** made a motion to approve the minutes of the Morse Administrative Rules Subcommittee meeting of January 15, 2014. **Motion carried by voice vote.**

**MOTION:** **Rep. Agidius** made a motion to approve the minutes of the Agidius Administrative Rules Subcommittee meeting of January 16, 2014. **Motion carried by voice vote.**

**MOTION:** **Rep. Youngblood** made a motion to approve the minutes of the Hixon Administrative Rules Subcommittee meeting of January 23, 2014. **Motion carried by voice vote.**

**Rep. Morse** reviewed the findings of the Administrative Rules Subcommittee as presented in his letter of January 15, 2014 to the Committee. He said these rules pertain to the Board of Licensure of Professional Engineers and Land Surveyors, the Department of Insurance, and the Real Estate Commission. He said it is the recommendation to the Subcommittee that **Docket Nos. 10-0101-1301, 10-0102-1301, 10-0104-1301, 18-0104-1301, 18-0123-1301, 18-0150-1301, 33-0101-1301** be approved.

In response to questions from the Committee, **Rep. Morse** said there is no known opposition to adoption of the 2012 Fire Code from the building industry.

**MOTION:** **Rep. Morse** made a motion to accept the report of the Morse Administrative Rules Subcommittee. **Motion carried by voice vote.**

**Rep. Agidius** reviewed the findings of the Agidius Administrative Rules Subcommittee as presented in her letter of January 16, 2014 to the Committee. She said rules assigned to the Subcommittee pertain to the Bureau of Occupational Licenses and the Board of Geologists. She said it is the recommendation of the Subcommittee that **Docket Nos. 14-0101-1301, 24-0201-1301, 24-0801-1301, 24-1801-1301, 24-2501-1301, 24-0401-1301, 24-0701-1301** be approved.

**MOTION:** **Rep. Agidius** made a motion to accept the report of the Agidius Administrative Rules Subcommittee. **Motion carried by voice vote.**

**Rep. Hixon** reviewed the findings of the Hixon Administrative Rules Subcommittee as presented in his letter of January 23, 2014 to the Committee. He said there were some contentious rules ironed out during the negotiated rule making process, however a consensus agreement was reached with little opposition. He said rules assigned to the Subcommittee pertain to the Division of Building Safety. He said it is the recommendation of the Subcommittee that **Docket Nos. 07-0106-1301, 07-0110-1301, 07-0301-1301, 07-0301-1302, 07-0301-1303, 07-0301-1304, 07-0311-1301, 07-0501-1301, 07-0701-1301** be approved.

**MOTION:** **Rep. Hixon** made a motion to accept the report of the Hixon Administrative Rules Subcommittee. **Motion carried by voice vote.**

**RS 22617:** **Rep. Kauffman** presented **RS 22617** relating to professional engineering and the application of engineering principals and data. He said this legislation amends **Section 54-1202** to include "design coordination" as a defined task of professional engineers. He explained a recent state project required coordination of many engineering disciplines however the published Request for Proposals (RFP) offered the opportunity to coordinate the work of these engineering disciplines to unlicensed parties. The Board of Professional Engineers and Land Surveyors was troubled by the RFP as, at some point during the project, a licensed engineer's stamp is required for project coordination. He said the new legislation codifies existing practices to include the term "design coordination" in the purview of a licensed professional engineer. He said representatives of the American Council of Engineering Companies of Idaho (ACEC Idaho), American Institute of Architects (AIA), and Idaho Associated General Contractors (AGC) were consulted regarding the amendment. He said there is no known opposition.

**Jeremy Chou**, Givens Pursley, was introduced for technical questions. He said the term "design coordination" means coordinating the work of contributing engineering disciplines such as civil engineering, structural engineering, and geotechnical engineering for a particular project. He said the Project Engineer or Project Manager who coordinates the work of these engineers should, himself, be a licensed engineer. He said the project mentioned by **Rep. Kauffman** did not encounter difficulties as the contract was awarded to a company which employs licensed engineers as project managers. He said employing a project manager or project engineer to coordinate the work of contributing disciplines is a standard practice and this legislation adds that function to the list of functions requiring a licensed engineer.

**MOTION:** **Rep. Thompson** made a motion to introduce **RS 22617**.

**SUBSTITUTE MOTION:** **Rep. Barbieri** made a motion to return **RS 22617** to the sponsor for a definition of the term "design coordination" to be included.

**Rep. Youngblood** spoke in opposition to the substitute motion. He said the term " design coordination" is a function rather than a position.

**MOTION WITHDRAWN:** **Rep. Barbieri** withdrew his substitute motion to return **RS 22617** to the sponsor for a definition of the term "design coordination" to be included.

**VOTE ON MOTION:** **Motion carried by voice vote.**

**ADJOURN:**      There being no further business to come before the Committee, the meeting was adjourned at 1:59 p.m

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Wednesday, January 29, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#">H 415</a>	Changing a contractor's status from active to inactive during which time liability insurance is not required to submit bids.	Rep. Bateman
<a href="#">RS22548</a>	Licensing of elevator contractors, mechanics and trainees.	Phil Hardy

COMMITTEE MEMBERS

Chairman Henderson	Rep Batt	Rep Morse
Vice Chairman Thompson	Rep Agidius	Rep Stevenson
Rep Collins	Rep Clow	Rep Youngblood
Rep Crane	Rep Hixon	Rep Smith
Rep Palmer	Rep Kauffman	Rep Rusche
Rep Barbieri	Rep Monks	Rep Gannon

COMMITTEE SECRETARY

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MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Wednesday, January 29, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW41

**MEMBERS:** Chairman Henderson, Vice Chairman Thompson, Representatives Collins, Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon

**ABSENT/  
EXCUSED:** Reps. Collins, Youngblood

**GUESTS:** Hannah Pirc; Caleb Pirc; Jodi Pirc; Tyler Mallard, IBCA; Robert Pilote, Idaho Contractor's Board; Rian Van Leuven, AFL-CIO; Steve Keys, Division of Building Safety; Bill Deal, Department of Insurance; Dennis Stevenson, Administrative Rules Coordinator

**Chairman Henderson** called the meeting to order at 1:35 p.m.

**MOTION:** **Rep. Hixon** made a motion to approve the minutes of January 23, 2014. **Motion carried by voice vote.**

**MOTION:** **Rep. Hixon** made a motion to approve the minutes of January 27, 2014. **Motion carried by voice vote.**

**H 415:** **Chairman Henderson** placed **H 415** properly before the Committee.

**MOTION:** **Rep. Thompson** made a motion to **HOLD H 415**. **Motion carried by voice vote.**

**RS 22548:** **Phil Hardy**, Strategies 360, presented **RS 22548** relating to licensing of elevator contractors, mechanics and trainees. He said this addresses confusion regarding licensing requirements which are currently outlined in the Division of Building Safety Rules for electrical licensing rather than residing within the Elevator Safety Act. He said the Electrical Code requirements are not specific to the elevator industry and are too broad to adequately address the complexity of the elevator industry. He said no new safety or standards board would be created as the Division of Building Safety would retain authority for issuing licenses. He said new language to be adopted conforms to other national requirements commonly found in the profession and approved by the industry. He said this language more fully defines basic elevator maintenance; the occupations of elevator contractors, mechanics and trainees; the process of applying for licenses; license requirements; the role of the Division of Building Safety in issuing licenses and rulemaking authority; and the ability for the Administrator of the Division of Building Safety to issue temporary licenses in the event of an emergency. He explained all existing license holders will be offered grandfather protections under the terms of this legislation. He said under the provisions of the current act, building owners are largely responsible for maintenance of elevators and require elevator mechanics and electricians who are fully licensed to perform these services. He said the Building Owners and Managers Association (BOMA) supports **RS 22548** and there is no known opposition.

**Dennis Stevenson**, Administrative Rules Coordinator, who assisted with the changes to legislation, was introduced for technical questions. He said currently elevator mechanics are licensed as electricians with a speciality certification for elevators. He said Administrative Rules specifically addressing the change from the Electrical Code to the Elevator Safety Act will be created. He said the Division of Building Safety will modify those Administrative Rules and draft new rules specifically addressing these changes. He said he expects the process of negotiated rulemaking to occur.

**Steve Keys**, Division of Building Safety, came to the podium for technical questions. He said new licenses are created here specifically for elevator apprentices, elevator contractor and elevator mechanics. He said the fee structure will probably remain the same, the licensing requirements will not change and creation of a new board is not anticipated. He said licensing fees will be transferred from the Electrical Code to the Elevator Safety Act. He said the slight increase in fees will offset the administrative work necessary to make these changes occur. He said changes in fees will affect 9 elevator contractors, 110 specialty electricians, and 12 trainees. Mr. Keys said fees are currently in line with statutory limits and the increase is expected to pay for costs of training and software. He said, although there is no database of occurrence, there have been numerous instances where individuals who do not have the specialty certification have attempted to repair elevators and left those devices in worse condition. He said the Division of Building Safety currently administers the licensing of electricians and those with specialty certifications. He said the Division of Building Safety governs licensing of professionals both by Administrative Rule and by Idaho Code, depending upon the particular Board overseeing the licensing and when it was established. He said the Elevator Stakeholders group, sponsors of **RS 22548**, want it put into effect as soon as possible, with the knowledge that temporary rulemaking will then occur.

**Mr. Keys** said **Section 39-8630** relates to general liability insurance coverage of at least one million dollars for injury or death and five hundred thousand dollars for property damage and proof of worker's compensation insurance coverage which contractors are currently required to carry. He said the coverage levels remain the same.

**Mr. Keys** said **Section 39-8603.26** refers not to a specific intent to do away with language regarding a requirement that elevator inspectors be employed by or under contract to the Division of Building Safety, rather there are other bodies that now certify elevator inspectors.

**MOTION:** **Rep. Thompson** made a motion to introduce **RS 22548**.

**Reps. Crane, Gannon, Clow, and Batt** spoke in support of the motion.

**SUBSTITUTE MOTION:** **Rep. Batt** made a substitute motion to return **RS 22548** to the sponsor. She said there is a mistake in the bill.

**Rep. Barbieri** spoke in support of the substitute motion saying he has reservations regarding expansion of the law and introduction of new requirements.

**Rep. Clow** spoke in opposition to the substitute motion. He said he sees no issue with allowing properly licensed independent inspectors to perform elevator inspections.

**Rep. Crane** spoke to the Committee regarding the current practice of elevator inspectors as employees of or contracted to the Division of Building Safety.

**Rep. Rusche** spoke in opposition to the substitute motion. He said the job of the Committee at this stage is to introduce **RS 22548** for printing so that it can be debated more fully as a House Bill.

**Rep. Palmer** spoke in support of the substitute motion. He said this is a complex piece of legislation that requires additional refining.

**ROLL CALL  
VOTE ON  
SUBSTITUTE  
MOTION:**

**Chairman Henderson** requested a roll call vote. **Substitute Motion passed by a vote of 10 AYE and 6 NAY with 2 Absent/Excused.** Voting in favor of the substitute motion: **Reps. Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Stevenson, Henderson.** Voting in opposition to the substitute motion: **Reps. Thompson, Crane, Morse, Smith, Rusche, Gannon.**

**ADJOURN:**

There being no further business to come before the Committee, the meeting was adjourned at 2:16 p.m.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Monday, February 03, 2014**

SUBJECT	DESCRIPTION	PRESENTER
<a href="#">H 421</a>	Engineering practice when design coordination requires the application of engineering principles and data.	Rep. Kauffman

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Henderson	Rep Batt	Rep Morse
Vice Chairman Thompson	Rep Agidius	Rep Stevenson
Rep Collins	Rep Clow	Rep Youngblood
Rep Crane	Rep Hixon	Rep Smith
Rep Palmer	Rep Kauffman	Rep Rusche
Rep Barbieri	Rep Monks	Rep Gannon

COMMITTEE SECRETARY

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MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Monday, February 03, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW41

**MEMBERS:** Chairman Henderson, Vice Chairman Thompson, Representatives Collins, Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon

**ABSENT/  
EXCUSED:** Vice Chairman Thompson, Collins, Crane, Morse, Youngblood

**GUESTS:** Tim Haener, ACEC of Idaho; Jeremy Chou, Givens Pursley; Roger Seiber, Capitol West; Russell Westerberg, Westerberg and Associates

**Chairman Henderson** called the meeting to order at 1:30 p.m.

**H 421:** **Rep. Kauffman** presented **H 421** relating to codifying the existing practice of engineering, when design coordination requires the application of engineering principles and data, that such practice constitutes professional engineering. He said Section 54-1202.10 is amended to include "design coordination" to the list of services or creative work offered to or performed for the public for any project physically located in this state when the service requires the application of engineering principles and data. He said, in ordinary terms design coordination is the integration of plans from various engineering disciplines. He said members of the Idaho Association of General Contractors (AGC) and the American Council of Engineering Companies of Idaho (ACEC) met to provide input and a consensus of opinion. He said no additional procedures are added to the language.

**MOTION:** **Rep. Agidius** made a motion to send **H 421** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Kauffman** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the Committee, the meeting was adjourned at 1:36 p.m.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

**AMENDED AGENDA #2**  
**HOUSE BUSINESS COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Monday, February 17, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>H 498</u></a>	Film and Television Production Business Rebate	Rep. Henderson

COMMITTEE MEMBERS

Chairman Henderson	Rep Batt
Vice Chairman Thompson	Rep Agidius
Rep Collins(Collins)	Rep Clow
Rep Crane	Rep Hixon
Rep Palmer	Rep Kauffman
Rep Barbieri	Rep Monks

Rep Morse
Rep Stevenson
Rep Youngblood
Rep Smith
Rep Rusche
Rep Gannon

COMMITTEE SECRETARY

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MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Monday, February 17, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW41

**MEMBERS:** Chairman Henderson, Vice Chairman Thompson, Representative(s) Collins (Collins), Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon

**ABSENT/  
EXCUSED:** Crane, Kauffman

**GUESTS:** Tom Williamson, BCBH Developers; Megan Ronk, Department of Commerce; Kristin Kirchenman, Rlsch-Pisca; Zain Kyk, Idaho Statesman; McKinsey Yon; Kris Ellis, ISBA

**Chairman Henderson** called the meeting to order at 1:32 p.m.

**MOTION:** **Rep. Hixon** made a motion to approve the minutes of January 29, 2014. **Motion carried by voice vote.**

**MOTION:** **Rep. Hixon** made a motion to approve the minutes of February 3, 2014. **Motion carried by voice vote.**

**H 498:** **Rep. Henderson** presented **H 498** relating to a film and television production business rebate. He said **H 498** is a straightforward, simple piece of legislation which revises a sunset date for law that was enacted in the Legislative Session of 2008. He said it deals with a 20% rebate of specific Idaho expenditures of qualified film productions which meet certain criteria of 1. at least \$200,000 spent in Idaho; 2. at least 35% of the crews hired must be Idaho residents. He said the cap on the rebate is \$500,000. He noted the lengthy negotiations and preparations a film company undertakes in order to lease property and buildings and bring on a work crew is such that if a production were approved, the expense would probably occur in the subsequent fiscal year. He said the Department of Commerce would advise JFAC of the expenditure and request a line item in that year's budget for the rebate.

**Jeff Sayers**, Director of the Department of Commerce, came to the podium. He spoke **in support** of **H 498**, requesting a new sunset date of Dec. 31, 2020.

In response to questions **Mr. Sayers** said it is unknown whether or not a production receiving this rebate would be eligible for other economic development grants or funds. He said the terms described within this bill would allow for more than one production to apply for a rebate. He further clarified a production company would request a rebate after providing proof of previous expenditures and 35% Idaho citizens hired. He said there are no funds given prior to production. He said the overall impact to Idaho's General Fund is unknown until the Department of Commerce learns the scope of each production. He affirmed the cap on this rebate is \$500,000. He said the task of monitoring the percentage of the Idahoans employed is given to the production company. He said the original bill remains unchanged and he is only asking at this time to change the sunset date.

**Rep. Rusche** spoke **in support** of **H 498**. He noted the many ways a film project could be produced utilizing existing technologies and industries available in Idaho. He said this bill offers an incentive to attract such production companies to do business in Idaho.

**Tom Williamson**, MCBH Developers, came to the podium. He stated his involvement in crafting the original bill in the 2008 legislative session. He said this legislation is a workforce development project, resulting from a task force created to develop this industry in Idaho. He said film production is a manufacturing industry which allows the media industry to create a product and then leave. He gave the example of the film, *Dante's Peak* as one which generated over \$10,000,000 for Idaho. He offered the 2005 production of the film *Napoleon Dynamite*, created 10 years ago in Preston, Idaho as an example of a recognizable product. He noted that the rebate has not been utilized in Idaho as of yet due to the economic downturn. He confirmed that production of both films predate the law. He said no monies have yet been allocated for a major production although inquiries which generated some small business have occurred. He said this incentive appeals to independent producers rather than the large, production companies. He said the purpose of **H 498** is to keep the Idaho Statute intact and available to the Department of Commerce as a tool for attracting business.

**Mr. Williamson** said this bill is modeled after Utah's successful program which generates \$80 - 100,000,000 annually. He said Utah, known as a film industry friendly state, recently welcomed new construction of a \$100,000,000 production facility in Park City assisted by a mature incentive program. He said Idaho could benefit similarly.

**Jeff Sayers**, Director, Department of Commerce returned to the podium and presented the Film and Television Production Business Rebate Fund Report. He said the representatives of the film industry were among the first to come before the Department of Commerce requesting assistance in developing their industry in Idaho. He said other states have created tax incentives which appeal to investors in a film and promoting this industry in Idaho makes sense. Mr. Sayers explained before we apply for a large tax incentive we need the number of jobs created, the longevity of these jobs, and expected revenue generated. He said other important factors in determining location of film production such as availability of equipment, ease of licensing and permitting, and right to work laws are other incentives that are not necessarily monetary. He said within 2 or 3 years he should have an example of a production rebate to bring before the Legislature illustrating all of the aspects of this program. Mr. Sayers said a successful Audi commercial was recently filmed in the Magic Valley.

In response to questions **Mr. Sayers** said the funding for this rebate would be appropriated in the annual budget and held in the State Treasury. He said once the fund is depleted no further funds would be disbursed each year. He said zero dollars are currently in the fund, but the mechanism is in place and needs to be kept in place for the future. He said, as the fundamentals of this program develop, a model will be created, backed up with numbers, upon which to base a fund request. He said there is momentum in this industry. He said the process of evaluating projects for possible applicability prior to the rebate is untested and may need refinement. He said other states have left their programs open-ended, however the concept in place here provides a known fiscal impact. He said other states have further refined the qualifying expenses with subsequent legislation and he expects to perform the same exercise in time. He said greater funding levels could accommodate more projects. He said the original bill levels of 20%, 25% and 30% requirement for employing Idahoans are not changed here as a business case and plan for disbursement is owed prior to any request for funding.

**Mr. Sayers** said the reporting obligation of the Department of Commerce required in the statute is contained in the hand-out, Film and Television Production Business Rebate Fund (see attached), before the Committee. He said some of the projects listed on the hand-out could have qualified, however a more detailed study is required to identify which project could have requested participation. He said a few small projects come naturally and without incentives and he hopes to answer questions regarding the type of projects applicable to this incentive prior to expenditure of funds.

**MOTION:** **Rep. Morse** made a motion to send **H 498** to the floor with a **DO PASS** recommendation.

**Rep. Batt** spoke **in support** of **H 498**. She said the original bill, **H 592**, was written under the leadership of a former Director of the Department of Commerce and foresees refining the law in the future under the leadership of **Mr. Sayers** as the need arises.

**SUBSTITUTE MOTION:** **Rep. Henderson** made a substitute motion to **HOLD H 498**.

**Rep. Rusche** spoke **in support** of the original motion. He said he sees the value in continuing the law that is in place.

**Rep. Barbieri** spoke **in support** of the original motion.

**Rep. Morse** spoke **in support** of the original motion. He recommends extending the sunset date in order to accommodate incoming productions as it takes some time to develop business plans which could make application for this rebate. He said there is always the possibility to return in the future with bills that address issues as they arise.

**SUBSTITUTE MOTION WITHDRAWN:** **Rep. Henderson** withdrew the substitute motion.

**VOTE ON MOTION:** **Motion carried by voice vote.**

**Chairman Thompson** introduced House Page, **Justus Grammer** and welcomed him to the Committee.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:26 p.m.

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Representative Thompson  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Wednesday, February 19, 2014**

SUBJECT	DESCRIPTION	PRESENTER
	Economic Development Presentation	Jeff Sayers, Dept. of Commerce

COMMITTEE MEMBERS

Chairman Henderson  
Vice Chairman Thompson  
Rep Collins(Collins)  
Rep Crane  
Rep Palmer  
Rep Barbieri

Rep Batt  
Rep Agidius  
Rep Clow  
Rep Hixon  
Rep Kauffman  
Rep Monks

Rep Morse  
Rep Stevenson  
Rep Youngblood  
Rep Smith  
Rep Rusche  
Rep Gannon

COMMITTEE SECRETARY

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MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Wednesday, February 19, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW41

**MEMBERS:** Chairman Henderson, Vice Chairman Thompson, Representative(s) Collins (Collins), Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon

**ABSENT/  
EXCUSED:** Crane, Collins

**GUESTS:** None

**Chairman Henderson** called the meeting to order at 1:31 p.m.

**Jeff Sayers**, Director, Department of Commerce, presented an overview of the accomplishments of the Department with respect to Economic Development.

**Director Sayers** said the general Gross State Product (GSP) target is \$60 billion and the Governor's Project 60 is a success with \$62.4 billion dollars expected by the end of 2014. He said Idaho's international export numbers came out recently and are down from 6.1 billion to 5.7 billion dollars. He said the biggest driver of this decrease is the semi-conductor industry and, while the down trend of that sector is unfortunate, other factors such as agri-business and manufacturing numbers are up. He said 2% of hotel tax revenues go to a dedicated fund used to market the state and enhance tourism. He said this great tool indicates tourism and business travel have increased 8% over the previous year.

**Director Sayers** reported on the Idaho Global Entrepreneurial Mission (IGEM) as a long-term investment in Idaho's technology future. He named the three primary funding components: \$2 million appropriate to the State Board of Education, \$2 million allocated to the universities, and \$1 million Commercialization Grants administered through the Idaho Department of Commerce. He said the intended goal of IGEM is high end job creation and expansion of cutting edge sectors state wide. He said IGEM, based upon a similar program in Utah, was developed with guidance from the Utah Department of Commerce. He said the focus is industry funded research. He said, Idaho's research is predominantly federally funded, with Idaho universities having zero or nominal industry funded research. He said over one-half of Utah's clients participating in that state's industry funded research are Idaho companies. Director Sayers plans to spend considerable time and effort bringing industry partners to Idaho universities, and to build research capacity. He gave the ultimate goals of IGEM as technology roll out and job creation. He said this will not be accomplished in one or two years.

**Director Sayers** highlighted the successes of the Opportunity Fund, established in 2013. He said there is tremendous interest in the program and the first step is to build trust by demonstrating prudence in granting funds. He said the first project, a snack producer called GOGO Squeeze is up and running in Nampa. He said the Opportunity Fund is considering five projects which will, if funded, provide 789 jobs resulting in an annual tax impact of over \$9 million. He affirmed \$750,000 is available in the Opportunity Fund, however no request for additional appropriations has been made.

**Director Sayers** summarized the recent reorganization within the Department of Commerce. He said the Department wished to focus energy on emerging markets, paying attention to peripheral technologies and enabling development of industry. He noted that other states use a combination of business incentives and talent pipelines to accomplish job creation and industry growth. He said community colleges in the south and southeastern states create talent pipelines to prepare skilled employees for emerging industries. These successes have inspired changes in the structure of the Department of Commerce. He said two Divisions: 1. Business Creation - developing new businesses and tourism, 2. Business Expansion - growing existing businesses and industries, were brought together. He said two administrator positions were eliminated and the reporting structure was streamlined, resulting in a more efficient organization focused on the same goals. He said the old regional model is replaced with a team approach focusing on specific business sectors state wide. He said the strategy is to invest in business lines that provide higher income jobs. He said the Department strives to assist regional economic development organizations rather than replicate their efforts.

In response to questions **Director Sayers** said the majority of tourists come from Seattle, San Francisco and Canada. He said the Department is changing focus from measuring heads in beds (as the ultimate goal) to a larger focus of tracking venue usage, number of meals served in restaurants and other factors. He said the Department plans to set aside moneys in the future to assist communities develop activities and venues and to draw greater audiences.

**Director Sayers** spoke of a new idea, centralization of administrative functions such as data maintenance, human resources and payroll as an up and coming technology based industry. He also listed as another attractive option, incoming executives who recognize the competitive personal income tax rate and lovely natural surroundings of living in Idaho and telecommuting to work.

In response to questions, **Director Sayers** said the Department is working on a plan to train local governments to utilize the Opportunity Fund and other economic development tools. He characterized the effort as a statewide conversation to share practices and knowledge.

**Director Sayers** said the measure of success for economic development programs will be an increase in household income indicating a growth in jobs that offer greater than minimum wage. He said talent pipelines, community college based training programs which create skilled workers needed by local industry, will ultimately produce greater household incomes. He said the Department is actively involved in workforce development conversations. He praised the work of the three Community College Presidents who cooperatively respond to the training needs of local industry. He gave the following examples: the College of Southern Idaho has training programs in place to meet the needs of the local food processing industry, the College of Western Idaho's programs to train workers for manufacturing, and, the College of North Idaho's programs to train workers for employment in the emerging aerospace industry.

**Director Sayers** said workman's compensation insurance rates are an example of lower costs that can attract businesses to relocate to Idaho. He affirmed legislators can request comparisons between Idaho's indices and those of other states from the Department of Commerce. He said Department of Commerce teams become experts in certain industries such as manufacturing, firearms, aerospace and are available to help representatives market directly to these industries.

**Rep. Batt** spoke in support of **Director Sayer's** leadership.



**Rep. Agidius** spoke **in support** of the Department of Commerce's reorganization and ability to use limited resources in the best way possible. She said she is confident the Opportunity Fund and new legislation will all assist these efforts.

**Chairman Henderson** spoke **in support** of the Opportunity Fund. He said he is impressed with the results. He urged legislators to avail themselves of assistance from the staff at the Department of Commerce when engaging in economic development efforts in their home districts.

**ADJOURN:** There being no further business to come before the Committee, the meeting was adjourned at 2:32 p.m.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Tuesday, February 25, 2014**

Or Upon Adjournment

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>S 1206</u></a>	Real Estate License Law Certification of Course Providers	Jeanne Jackson-Heim, Idaho Real Estate Commission
<a href="#"><u>S 1205</u></a>	Real Estate License Law Clarification of Time Zone and Period of Time	Jeanne Jackson-Heim, Idaho Real Estate Commission

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Henderson	Rep Batt	Rep Morse
Vice Chairman Thompson	Rep Agidius	Rep Stevenson
Rep Collins	Rep Clow	Rep Youngblood
Rep Crane	Rep Hixon	Rep Smith
Rep Palmer	Rep Kauffman	Rep Rusche
Rep Barbieri	Rep Monks	Rep Gannon

COMMITTEE SECRETARY

Catherine Costner  
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MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Tuesday, February 25, 2014

**TIME:** 1:30 P.M.

**PLACE:** Room EW41

**MEMBERS:** Chairman Henderson, Vice Chairman Thompson, Representative(s) Collins, Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon

**ABSENT/  
EXCUSED:** Rep. Smith

**GUESTS:** Kimberly A. Coster, IREC; Michell Bird, IREC; Mike Gamblin, IREC; John Eaton, Realtors

**Chairman Henderson** called the meeting to order at 1:33 p.m.

**MOTION:** **Rep. Hixon** made a motion to approve the minutes of February 17, 2014. **Motion carried by voice vote.**

**MOTION:** **Rep. Hixon** made a motion to approve the minutes of February 19, 2014. **Motion carried by voice vote.**

**S 1206:** **Jeanne Jackson-Heim**, Idaho Real Estate Commission, presented **S 1206** relating to real estate licensing law. She said an education task force comprised of representatives of the Idaho Association of Realtors and the Real Estate Commission formed to discuss continuing education of licensees. She said the task force identified two concerns. She said the first relates to the continuing education necessary to renew a real estate license. She said licensees renew every two years and must complete a minimum of 16 hours of elective continuing education credit plus one core course. She said the Commission core course cannot exceed 4 hours, so that makes the continuing education requirement a maximum of 20 hours every two years. She said new Commission core courses are developed each year and include instruction on law changes, a case law update, and a hot topics section. She said the law presently requires one Commission core course to be taken every two years, thus many licensees are missing important information from the core course not taken during alternate years. She said **S 1206** would require the Commission core course to be taken every year and a corresponding reduction in the elective hours from 16 to 12.

**Ms. Jackson-Heim** said the second substantive change pertains to continuing education for new licensees in their first renewal or reactivation period. She said **S 1206** requires a new licensee to complete a specified course of 12 post-license hours instead 12 elective hours. She said these courses better prepare new licensees by covering such topics as contract forms, agency law, ethics and professionalism, commercial real estate, and pricing and marketing.

**Ms. Jackson-Heim** described the third objective of **S 1206** is to add a new definition of post-license education and revise the definition of the Commission core course. She said the bill eliminates obsolete references to challenge examinations and correspondence courses as they are no longer used. She described an added requirement that the director of a certified real estate school must participate in a commission-approved training session at least once every two years to help the school comply with the license law and offer better service to the licensees. She said the last change relates to expenditure of civil penalty monies collected by the Commission. She said the law restricting the use of these funds to educational purposes for people who already hold an Idaho real estate license would expand to allow for education for potential licensees.

In response to questions, **Ms. Jackson-Heim** said the total number of continuing education hours remains the same. She said on-line distance learning meeting the classroom hour requirements have replaced correspondence courses. She noted the College of Western Idaho is planning a curriculum for real estate licensing to meet the demand, however, it is not yet available. She said a list of approximately 50 to 60 real estate schools is available on the Commission web-site. She said a real estate salesperson is an entry level professional with 90 hours of instruction and a real estate broker has experience as a licensed salesperson with additional completed course work.

**Rep. Agidius** spoke in support of the changes proposed in **S 1206**.

**John Eaton**, Government Affairs Representative for the Idaho Association of Realtors, described the two year collaborative process that created **S 1206**. He said it is a good work product and will help the industry by increasing professionalism.

**Rep. Morse** invoked Rule 38, stating that he has an inactive real estate broker's license.

**Rep. Agidius** invoked Rule 38, stating that she worked as a real estate broker in the past.

**MOTION:**

**Rep. Agidius** made a motion to send **S 1206** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Agidius** will sponsor the bill on the floor.

**S 1205:**

**Jeanne Jackson-Heim** presented **S 1205** relating to real estate licensing law. She said the legislation accomplishes three objectives. She said the first objective is the addition of a definition of a "regular employee". She said Section 54-2003 of the license law describes when a real estate license is not required. She said the "for sale by owner" exemption, whereby anyone can sell his or her own property without a license and that includes employees of a business that owns property, requires the definition of "regular employee".

**Ms. Jackson-Heim** said the second objective is to clarify the definition of "state or jurisdiction" to include the District of Columbia and any U.S. territories such as Puerto Rico.

**Ms. Jackson-Heim** said the third objective adds the words "mountain time" to the 5:00 time deadline to renew a real estate license. She said this addresses the confusion regarding multiple time zones in Idaho.

**Rep. Morse** invoked Rule 38, stating that he has an inactive real estate broker's license.

**Rep. Agidius** invoked Rule 38, stating that she worked as a real estate broker in the past.

**MOTION:**        **Rep. Kauffman** made a motion to send **S 1205** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Kauffman** will sponsor the bill on the floor.

**ADJOURN:**        There being no further business to come before the Committee, the meeting was adjourned at 1:50 p.m.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
1:30 p.m. or Upon Adjournment  
Room EW41  
Thursday, February 27, 2014

SUBJECT	DESCRIPTION	PRESENTER
<a href="#">S 1269</a>	Claims handling services to run-off insurers.	Woody Richards, Insurance Companies

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Henderson	Rep Batt	Rep Morse
Vice Chairman Thompson	Rep Agidius	Rep Stevenson
Rep Collins	Rep Clow	Rep Youngblood
Rep Crane	Rep Hixon	Rep Smith
Rep Palmer	Rep Kauffman	Rep Rusche
Rep Barbieri	Rep Monks	Rep Gannon

COMMITTEE SECRETARY

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MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Thursday, February 27, 2014  
**TIME:** 1:30 pm or Upon Adjournment  
**PLACE:** Room EW41  
**MEMBERS:** Chairman Henderson, Vice Chairman Thompson, Representative(s) Collins, Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon  
**ABSENT/  
EXCUSED:** Reps. Rusche, Crane  
**GUESTS:** Woody Richards, Idaho Insurance Guaranty Association; Angela Richards, Idaho Insurance Guaranty Association

**Chairman Henderson** called the meeting to order at 1:30 p.m.

**Chairman Henderson** introduced **Rep. Paul Agidius**, substituting for **Rep. Cindy Agidius**, and welcomed him to the Committee.

**S 1269:** **Mr. Woody Richards**, Idaho Insurance Guaranty Association, presented **S 1269** relating to claims handling services to run-off insurers. He said the Guaranty Association's primary function is to investigate and pay claims in Idaho within certain statutory limits when a property or casualty insurance company becomes bankrupt. He said the money to pay for these claims comes from assessments of the Guaranty Association members and from assets of the bankrupt insurance company. He said payment of these claims is supervised by the Department of Insurance (DOI) and by the Court. He explained determinations of bankruptcy of an insurer are made by the Department of Insurance and a state district court. He said an alternative to bankruptcy can occur should the DOI decide to attempt rehabilitation or supervision of the business of the insurance company. He said, the DOI may decide a form of run-off is appropriate. He said this legislation would give the DOI the option to authorize use of the Guaranty Association to help when there is a run-off situation. He noted the DOI has no objection to the legislation, and other insurers and the general public were informed with no known opposition.

**Mr. Richards** defined run-off as a process whereby a company may be told it cannot write any new insurance business, but that it should continue to pay claims as they arise. He gave as an example an insurance company experiencing severe financial difficulties which cause the work force to leave. He said the DOI will authorize this "run-off" company to enter a contract with the Guaranty Association to continue to adjust and pay claims.

**Mr. Richards** said if the Guaranty Association is used, then its expenses would be reimbursed from insurance company funds. He said no funds of the Guaranty Association would be used by the Guaranty Association when acting as a third party administrator in a run-off. He added, the Guaranty Association and its employees and agents would be immune from liability.

In response to questions from the Committee, **Mr. Richards** said the DOI makes the determination that a particular company may write no new business and recognizes the need to service existing policies and pay claims as they arise. He said no particular incident precipitated the need for bill, rather this complies with provisions of the model act. He said the benefit of using the Guaranty Association is that its employees have the expertise to deal with liquidation of companies. He said money used to pay claims in run-off situations are the insurance company's money. He said neither new risk based capital requirements for insurance companies nor adoption of this model act are expected to produce an increase in run-off companies. He said insurance company liquidations tend to trend along with the economic cycle and are subject to the influences of high or low interest rates like other businesses. He said this legislation will not increase the number of insolvent companies. He said there is a process whereby an insurance company can come back into compliance.

**Mr. Richards** said the Director of the Department of Insurance will be alerted to signs that a company is in trouble and he will then work with the officers of the insurance company to craft a response. He said the preference is to give the insurance company the opportunity to rehabilitate. He said liquidation of an insurance company is a decision of District Court. He affirmed that run-off situations apply only to property and casualty companies. He said workman's compensation claims can be of lengthy duration and can be paid indefinitely. He said similar processes occur to life, disability and health insurance companies who have a separate association which administers that program. He said the language of this legislation is identical to wording already in statute and mirrored provisions of the model act.

**MOTION:** **Rep. Gannon** made a motion to send **S 1269** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Gannon** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the Committee, the meeting was adjourned at 1:50 p.m.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary



AGENDA  
**HOUSE BUSINESS COMMITTEE**  
**1:30 pm or Upon Adjournment**  
**Room EW41**  
**Wednesday, March 05, 2014**

SUBJECT	DESCRIPTION	PRESENTER
<a href="#">S 1282</a>	Relating to Legal Rate of Interest	Senator Goedde
<a href="#">H 545</a>	Relating to International Residential Code and Energy Conservation Code	Tyler Mallard
<a href="#">S 1311</a>	Construction Manager/General Contractor	Wayne Hammon, Associated General Contractors

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Henderson	Rep Batt	Rep Morse
Vice Chairman Thompson	Rep Agidius(Agidius)	Rep Stevenson
Rep Collins	Rep Clow	Rep Youngblood
Rep Crane	Rep Hixon	Rep Smith
Rep Palmer	Rep Kauffman	Rep Rusche
Rep Barbieri	Rep Monks	Rep Gannon

COMMITTEE SECRETARY

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MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Wednesday, March 05, 2014

**TIME:** 1:30 pm or Upon Adjournment

**PLACE:** Room EW41

**MEMBERS:** Chairman Henderson, Vice Chairman Thompson, Representative(s) Collins, Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon

**ABSENT/  
EXCUSED:** Rep. Agidius

**GUESTS:** Larry Benton, Benton Ellis and Associates; Wayne Hammon, Idaho Associated General Contractors; Cindy Ozaki, Idaho Falls Auditorium District; Woody Richards, Insurance Companies; Michael Anderson, BCA; Mark Larson, State Fire Marshall; Mike Kane, PCI; Heather Cunningham; Angela Richards, Insurance Companies; Charlie Woodruff, USGBC Idaho; Dennis Schafferr, Idaho Building Contractors; Tyler Mallard, IBCA; Dawn Justice, Idaho Bankers; Leon Duce, AIC; Steve Martinez, Tradewinds Building; Jon Hastings, Tresedro Homes; John Foster, IDABO/ Kestral West; David Yorgason, Building Contractors; Brad Pfannmuller, Avimor; Carl Trautman, Brighton Homes Idaho; Tracy Dixon, Overhead Door Company; John Watts, Idaho; Aaron Johnson, Bateman Hall, Inc.; Paul Jackson, Farmer's Insurance

**Chairman Henderson** called the meeting to order at 1:31 p.m.

**MOTION:** **Rep. Hixon** made a motion to approve the minutes of February 25, 2014. **Motion carried by voice vote.**

**MOTION:** **Rep. Hixon** made a motion to approve the minutes of February 27, 2014. **Motion carried by voice vote.**

**H 545:** **Rep. Monks** presented **H 545** relating to the International Residential Building Code and the International Energy Conservation Code. He said this legislation arose from a collaborative, negotiated effort and is an attempt to move toward an Idaho Building Code rather than relying on the International Construction Code which changes every three years. He said it would make revisions to the code easier to accomplish. He said the negotiated process will remain in effect. He said the 2012 International Building Code will remain in force, and, together with the amendments, revisions and modifications will become the Idaho Building Code. He said this does not prohibit adoption of the 2015 International Construction Code in its entirety. He said the International Energy Conservation Code would become the Idaho Energy Conservation Code. He said this legislation pertains to the residential codes at this time, not the commercial codes. He said the building contractor must keep up with the constant changes to the building code and this legislation is an attempt to slow the process so that the state has flexibility in implementation of code changes.

In response to questions from the Committee, **Rep. Monks** said the collaborative group consisted of regulated industries such as construction contractors and regulating entities such as the Division of Building Safety.

**Larry Benton**, Benton, Ellis and Associates, representing the Idaho Chapter of American Institute of Architects, spoke **in opposition** to the bill. He said while not in opposition to the concept, not all stakeholders were involved in the collaborative effort. He said the Idaho contractors made this decision unilaterally. He asked the Committee to ascertain **H 545** arose from a collaborative effort.

**Leon Duce**, Association of Idaho Cities, spoke **in support** of **H 545**. He said there was a collaborative effort and supports the provisions of the bill. In response to questions from the Committee he said Idaho Statute determines the International Construction Code as a starting point and allow cities and counties to make local amendments as they see fit.

**Steve Martinez**, Tradewinds Building Association, spoke **in support** of **H 545**. He said there is a history of collaborative effort in the crafting of this legislation. He said the 2012 International Construction Code contains 250 pages of significant changes, which result in higher costs to the contractor. He said the collaborative wished to control the large overhaul of the Code every three years by the International Code Council. He said the collaborative arrived at a much smaller number of code changes. In response to questions from the Committee he said the Idaho Construction Code will not necessarily eliminate large changes to the code, rather it will allow the collaborative process to refine the end product.

**John Foster**, Kestral West, IDABO spoke **in support** of **H 545**. He said this legislation is in the best interest of Idaho. In response to questions from the Committee he said this legislation is not expected to affect the way rules are promulgated. He said concerns among architects, contractors and insurance underwriters regarding possible inconsistencies in building codes were addressed during the collaborative process. He said architects oppose the bill but were included in the negotiations.

**Rep. Rusche** spoke **in opposition** to the **H 545**. He said the process described may result in constant changes to the Idaho Construction Code as the Legislature meets each year and changes ensue, rather than absorbing changes every three years with the publishing of a new International Construction Code. He said contractors may experience difficulty in keeping up with a constantly changing building code.

**Rep. Kauffman** spoke **in support** of the bill, qualifying his support on continuation of a collaborative process inclusive of all stakeholders.

**Rep. Palmer** spoke **in support** of **H 545**. He praised the collaborative effort employed in the crafting of this legislation.

**MOTION:**

**Rep. Gannon** made a motion to send **H 545** to the floor with a DO PASS recommendation. **Motion carried by voice vote.** **Rep. Monks** will sponsor the bill on the floor.

**S 1282aa:**

**Sen. Goedde** presented **S 1282aa** relating to the legal rate of interest when there is no express contract in writing fixing a rate of interest. He said the judgement rate of 12% was set in 1981 and is out of context with the current economy. He said stakeholders assembled and agreed upon 7.5% as a fair rate of interest. He said concerns of retroactivity are not valid as this will not affect current cases.

In response to questions from the Committee **Sen. Goedde** said all language concerning prejudgment has been stricken and the only change is to lower the interest rate from 12% to 7.5%. He said much consideration was given to a market based interest rate rather than the fixed rate but the collaborators could not produce any compromise. He said the consensus group consisted of trial lawyers, bankers, and members of the insurance Industry.

**Rep. Barbieri** spoke **in opposition** to **S 1282aa**. He said the rate of 7.5% seems to be of a penal nature. He recommended consideration of an amending order to create a fair rate based upon current prime interest rate.

**Woody Richards**, All State, American Family and Farm Bureau, Farmers Insurance, spoke **in support** of **S 1282aa**. He said the insurance companies he represents were collaborating members. He said personal loan rates were at 12-14% when the original statute was written and that justified the 12% interest rate. He said that basis is now invalid as interest rates are extremely low. He said ongoing cases will not be affected should this bill pass during the legislative session. He said businesses are lenders and debtors, and insurance companies don't want interest rates to be so high that businesses are impacted. He said the only purpose of this legislation is to fix an interest rate when no other contract exists. He said a floating interest rate is not a bad idea, however the collaborative could not arrive at one formula. He said current floating interest rates would arrive at approximately 6-8%, therefore 7.5% is reasonable. In response to questions from the Committee he said the fixed rate was chosen as the variable nature of floating rates may be difficult for businesses to work with. He said the rates of surrounding states were taken into consideration, however, 7.5% is a default rate. He said this legislation would not affect the ability of parties to contract interest rates. He said this rate of interest is used in the event of a judgement on eminent domain issues. He said the rate of interest is compensation for the lengthy deprivation of property use.

**Rep. Morse** spoke **in opposition** to **S 1282a**. He said there are issues of lost opportunities, and other costs associated with loss of property to which this interest rate can apply. He said the issue of deprivation of property and compensation via interest is complicated and can vary with economic factors. He said interest rates and prime rates are continually changing.

**Heather Cunningham**, condemnation lawyer, Idaho spoke **in opposition** to **S 1282aa**. She said this legislation will have unintended consequences in the case of eminent domain actions. She said these cases may take several years to complete and the only compensation the property owner receives in consideration of the long process other than the fair market value of property is the interest rate. She said properties in condemnation cases cannot be changed, developed or sold by the owner. She said the government or condemnor decides how much money is deposited by the court at start of case and should the condemnor incorrectly value the property, the property owner will only receive the interest rate on the amount deposited. She said the private property owner is innocent of wrongdoing and further deprived of appreciation on property and use of property during case proceedings. She said **S 1282aa** should not include pre-judgement interest rates for condemnation cases. She said the government is aware that if they lose the condemnation case, the government will have to pay the 12% interest rate accrued over time. She said changing this interest rate may drastically change the overall value of eminent domain properties.

**John Watts**, Idaho Collectors Association, spoke **in opposition** to **S 1282aa**. He said the Idaho Collectors Association (ICA) has many of the same concerns **Ms. Cunningham** raised. He said the ICA members are stakeholders who were not involved in the crafting of this legislation. He listed rates set in surrounding states as Utah - 10%, Washington - 12%, Oregon - 9% and notes a rate of 7.5% gives Idaho the lowest interest rate in the area. He said the lowest interest rate would negatively impact collections businesses. He asked the Committee for the opportunity to amend the bill in General Orders in consideration of a variable rate of interest. In response to questions from the Committee he said collectors come into play after the service has occurred and attempt to recover on contracts where interest rates are already called out and where rates have not been called out.

**MOTION:**

**Rep. Morse** made a motion to send **S 1282aa** to General Orders for amendments considering pre-judgement, post judgements and floating rates of interest based upon prime lending rates. He said appropriate interest rates provide incentives to all parties to end litigation rather than extend it.

**Rep. Batt** spoke in support of the motion. She said private property owners should be protected.

**SUBSTITUTE  
MOTION:**

**Rep. Gannon** made a substitute motion to send **S 1282aa** to the floor with DO PASS recommendation.

**Rep. Clow** spoke in support of the substitute motion. He said it would be problematic to track changing interest rates. He said the issues of condemnation law brought to the Committee by **Ms. Cunningham** should be addressed by separate legislation.

**Senator Goedde** returned to the podium to summarize **S 1282a**. He said this bill was amended at the Senate Committee level and the bill before this Committee can stand as is. He concurred that the issues of condemnation law can be addressed through separate legislation. He said a variable interest rate is an understandable alternative, however, the consensus agreement did not arrive at that solution.

**Rep. Barbieri** spoke in support of the substitute motion.

**ROLL CALL  
VOTE:**

**Chairman Henderson** requested a roll call vote on the substitute motion. **Substitute motion passed by a vote of 9 AYE and 7 NAY, 2 ABSENT/ABSTAINED.** Voting in favor of the substitute motion: **Reps. Thompson, Collins, Barbieri, Clow, Hixon, Kauffman, Stevenson, Smith, Gannon.** Voting in opposition to the substitute motion: **Reps. Crane, Palmer, Batt, Monks, Morse, Youngblood, Henderson.** **Reps. Agidius and Rusche were Absent/Abstained.** **Rep. Gannon** will sponsor the bill on the floor.

**S 1311aa:**

**Wayne Hammon**, Associated General Contractors, presented **S 1311aa** relating to Construction Manager/General Contractor construction project delivery system. He said this system is new to Idaho Public Works but not new to the construction industry. He said Utah, Nevada, Washington and Wyoming public owners successfully utilize the Construction Manager/General Contractor (CM/GC) project delivery method. He said this legislation shifts risk from owner to contractor who becomes a partner in the project. He said the CM/GC fulfills the same duties, is obligated to follow the same rules, and is compensated in accordance with public works contracting code. He said the CM/GC must meet state bonding processes and must participate in the open bidding process for subcontracting, and purchase of goods and materials. He said the CM/GC project delivery method is new for public works, but often used for commercial projects. He noted the Statehouse renovation was undertaken using this method in collaboration with the Division of Public Works.

In response to questions from the Committee, **Mr. Hammon** said this project delivery method does not cause problems for subcontractors. He said the CM/GC could bid on subcontracted items and the possibility exists that he could then manipulate the schedule or budget so that he could be in a position to take over that subcontracting job, although he has not seen this occur. He said the CM/GC contracts a guaranteed price therefore it is to his benefit to take competitive subcontractor bids.

**Cindy Ozaki**, Chairman, Auditorium District ID Falls, spoke in support of **S 1311aa**. she said this delivery method could be employed successfully in Idaho Falls for construction of an event center. She said this project delivery method will assist the Auditorium District in accomplishing their goals with 2-10% financial savings. She said \$100 million of school bonding projects is anticipated in Eastern Idaho and this process will save money. She cited the use of the CM/GC project delivery method used for a \$20 million Colorado Mesa University project which broke ground in 3 months, and completed under budget and ahead of schedule.

**Aaron Johnson**, Bateman Hall Construction, spoke **in support** of **S 1311aa**. He said he has used the CM/GC method and that it works well for large projects. He said this method offers a big advantage for public entities which do not have a construction manager on staff. He said architects are not the best estimators of project costs, so having a CM/GC on board during the design phase produces savings and avoids change order costs.

**MOTION:** **Rep. Thompson** made a motion to send **S 1311aa** to the floor with a DO PASS recommendation. **Motion carried by voice vote.** **Rep. Thompson** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 3:29 p.m.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

**AMENDED AGENDA #1**  
**HOUSE BUSINESS COMMITTEE**  
**1:30 pm or Upon Adjournment**  
**Room EW41**  
**Tuesday, March 11, 2014**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>SCR 138</u></a>	Rejecting a certain rule docket of the Idaho Board of Licensure of Professional Engineers and Professional Land Surveyors	Sen. Patrick

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Henderson	Rep Batt	Rep Morse
Vice Chairman Thompson	Rep Agidius	Rep Stevenson
Rep Collins	Rep Clow	Rep Youngblood
Rep Crane	Rep Hixon	Rep Smith
Rep Palmer	Rep Kauffman	Rep Rusche
Rep Barbieri	Rep Monks	Rep Gannon

COMMITTEE SECRETARY

Catherine Costner  
Room: EW58  
Phone: 332-1139  
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MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Tuesday, March 11, 2014

**TIME:** 1:30 pm or Upon Adjournment

**PLACE:** Room EW41

**MEMBERS:** Chairman Henderson, Vice Chairman Thompson, Representative(s) Collins, Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon

**ABSENT/  
EXCUSED:** Reps. Crane, Batt, Youngblood, Morse

**GUESTS:** None.

**Vice Chairman Thompson** called the meeting to order at 2:43 p.m.

**MOTION:** **Rep. Hixon** made a motion to approve the minutes of March 5, 2014. **Motion carried by voice vote.**

**SCR 138:** **Sen. Patrick** presented **SCR 138** rejecting a certain rule docket of the Idaho Board of Licensure of Professional Engineers and Professional Land Surveyors. He said the Senate Commerce Committee rejected **Docket No. 10-0101-1301** in it's entirety as it was found to be not consistent with legislative intent.

**MOTION:** **Rep. Hixon** made a motion to send **HCR 138** to the floor with a DO PASS recommendation. **Motion carried by voice vote.** **Rep. Hixon** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the Committee, the meeting was adjourned at 2:45 p.m.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary